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**THE ROLE AND PROGRESS OF THE OFFICE,
ASSISTANT VICE CHIEF OF STAFF IN THE
MANAGEMENT OF ARMY RESOURCES**

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8 March 1971

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THE ROLE AND PROGRESS OF
THE OFFICE, ASSISTANT VICE CHIEF OF STAFF
IN THE MANAGEMENT OF ARMY RESOURCES

A CASE STUDY

by

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8 March 1971

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AUTHOR: John R. Martin, LTC, FA
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This historical case study is an examination of the events leading to the decision to create the Office, Assistant Vice Chief of Staff, Army (OAVCofSA), the role of the office as related to the Army Staff and to higher levels of review, some of the significant contributions of the office to the overall system for management of Army resources, and some of the significant roles the office performs for the Army today in the management of resources. Research methods included numerous interviews with action officers within the Army Secretariat, the OAVCofSA, and the Army General Staff. All Chief of Staff Regulations (CSR) and Chief of Staff Memorandums (CSM) published since 1 January 1967 were reviewed and a review was conducted of backup files, briefings, and other studies related to resource management within the Army General Staff. The study concludes that as a result of the fractionalization, lack of coordinated and timely response to OSD imposed requirements, and the lack of adequate analysis of proposed Army actions the credibility of the Army position was impaired and that some action to solve these problems was required. It further concludes that the Office, Assistant Vice Chief of Staff has performed very effectively in its assigned role and that a requirement for the office will continue to exist into the foreseeable future.

PREFACE

Since the enactment of the Department of Defense Reorganization Act of 1958 the role of the military services has been primarily that of providing ready forces for assignment to unified and specified commanders. For the Service Headquarters, this role is one of management of the resources required to procure, train, equip, and maintain these forces. The latest organizational attempt by Headquarters, Department of the Army to more adequately perform this mission was the formation of the Office, Assistant Vice Chief of Staff, Army in February 1967. The Office has been a point of controversy since its formation. This study examines the arena within which the resource management function must be performed as it has evolved since the enactment of the National Security Act of 1947, particularly with respect to the increasing centralization of the management function within the Office, Secretary of Defense during the tenure of Mr. Robert McNamara. It further examines the Laird-Packard philosophy of "participatory management" and its impact on the Army; emphasizing the role of the OAVCofSA in the implementation of the Planning, Programming, and Budgeting System which evolved as a result of the new philosophy. The author wishes to acknowledge his indebtedness to the many action officers within Department of the Army Headquarters who willingly gave of their time during the research for this effort and for sharing with me their views and expertise. Of particular assistance were the personnel in the Administrative Office, OAVCofSA and the Mail and Records Branch, Office of the Chief of Staff who made available regulations, memorandums, and files without which this effort could not have been successfully completed.

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CHAPTER I

INTRODUCTION

On 16 February 1967, a Chief of Staff Memorandum to the Army Staff was published which established the Office of the Assistant Vice Chief of Staff of the Army (OAVCofSA).¹ With this step, the Army entered into a new era in its efforts to manage the varied and interdependent resources required to field a combat ready force.

Initially referred to as a "super-staff" or "palace guard" by many members of the Army Staff, this new organization, by virtue of the vague and broad nature of its charter is now involved in almost all aspects of resource management in the Army. Although its initial charter envisioned a role of review and analysis of certain staff functions and activities, the Office of the Assistant Vice Chief of Staff of the Army, today, undoubtedly plays the most significant role of any agency within the Department of the Army in integrating other staff agency efforts to obtain and manage the resources required to fulfill the primary mission of the Army; that of providing combat ready forces to the Commanders in Chief of the various unified and specified commands of the Department of Defense.

What was the reason for creation of the new agency? What were the major objections to its being formed? Does it perform functions which are more properly the responsibility of or are already assigned to another Staff agency? How has the organization

evolved to its current role and status? Is there a need for the new agency and is it fulfilling this need? The purpose of this case study is to raise and answer as many of these questions as possible and to provide an objective assessment of the role which the Assistant Vice Chief of Staff plays in the management of Army resources. Additionally, the study will address the effectiveness of the office in aiding the remainder of the Army Staff in performing its resource management functions.

The author was assigned to the Office, Director of Studies within the OAVCofSA from April 1967 to June 1968 and was intimately involved in one of the major projects assigned to the AVCoSA; that of an "Army-wide study effort aimed at improving performance and effectiveness in all functional areas, with due regard for economy of resources."² This effort evolved as the Program to Improve the Management of Army Resources (PRIMAR) Studies. Many of the recommendations of this series of studies provide an excellent basis for assessing the role and effectiveness of the OAVCofSA.

Additional research which provided background for this study included numerous interviews with action officers within the OAVCofSA and in the Army Staff, detailed review of numerous Chief of Staff Memorandums (CSM) and Chief of Staff Regulations (CSR), and review of backup files, briefings, and other studies related to resource management activities within the Army Staff.

This study makes no attempt to completely analyze all factors related to the establishment and progress to date of the OAVCofSA

in the management of Army resources. Rather, it will address the following questions specifically and side-issues as are related.

(1) What factors led to the founding of the Office of the Assistant Vice Chief of Staff? (2) What is the role of the Office of the Assistant Vice Chief of Staff as related to the Army Staff? the Army Secretariat? the Office, Secretary of Defense? (3) What have been some of the significant contributions of the OAVCofSA in the management of Army resources? (4) What is the current role of the office in the management of Army resources?

Throughout the study the reader must be aware that the problems of resource management must be solved in a dynamic environment. Those efforts which produce the most valid results and efficient performance today may be of no value in tomorrow's world due to external changes in policies and procedures which will ultimately affect the methods and organizations that must cope with the problems.

CHAPTER I FOOTNOTES

1. US Department of the Army, Chief of Staff Memorandum
67-64: Reorganization of the Office, Chief of Staff (16
February 1967).
2. Ibid., Inclosure 1, p. 1.

CHAPTER II

BACKGROUND

In order to understand some of the problems which face the Army in its resource management effort it is helpful to have a knowledge of the events which led to the creation of the present climate and arena within which these functions must be performed. This chapter will trace significant events since the end of World War II which have influenced resource management activities and led to the creation of the Office, Assistant Vice Chief of Staff, Army.

THE NATIONAL SECURITY ACT OF 1947

The National Security Act of 1947 was the first of three significant changes to the organization of the nation's defense establishment after World War II. This law made sweeping changes to the traditional organization for the defense of the nation in addition to formalizing and giving legal status to efforts which had previously been accomplished by coordination among and between various government agencies. Some of the changes achieved by this act were:

- a. The creation of a Department of the Air Force separate from, but equal to, the Departments of the Army and Navy.
- b. The title of the Secretary of War was changed to "the Secretary of the Army."

c. The National Military Establishment was created and was to be headed by a civilian Secretary of Defense.

d. The provision of legislative authority and a charter for three already functioning joint agencies: (1) the Munitions Board, (2) the Research and Development Board, and (3) the Joint Chiefs of Staff with a Joint Staff of 100 officers.

e. The creation of three additional national security agencies outside the framework of the National Military Establishment: (1) the National Security Resources Board, (2) the National Security Council, and (3) the Central Intelligence Agency.¹

The act provided that each of the three military departments should be presided over by a civilian secretary and administered as a separate executive department. Specifically, powers not conferred upon the Secretary of Defense were reserved to the Secretaries of the three military departments.²

After informing the Secretary of Defense, the departmental secretaries were permitted to present to the President or to the Director of the Budget any report or recommendation which they might deem necessary.³

Thus, it becomes obvious that the newly established Secretary of Defense had very little directive authority over the military departments. He was required to perform his functions as a coordinator "by persuasion rather than direction to achieve the required degree of unity in policy and action."⁴ However, the genesis of our present highly structured and centrally managed Department of Defense (DOD) can be traced to this law.

THE NATIONAL SECURITY ACT AMENDMENTS OF 1949

The National Security Act Amendments of 1949 strengthened the position of the Secretary of Defense by giving him "authority, direction, and control"⁵ over the military departments. The National Military Establishment became the Department of Defense and the military departments lost their "Executive Department" status. Therefore, the service Secretaries were no longer members of the President's Cabinet or the National Security Council. They were replaced by the Secretary of Defense by virtue of his role as the head of the Executive Department of Defense. The service Secretaries also lost their right to direct appeal to the President or the Bureau of the Budget.

THE DEPARTMENT OF DEFENSE REORGANIZATION ACT OF 1958

The Department of Defense Reorganization Act of 1958 provides the charter for the current organization and the statutory authority exercised by the Secretary of Defense over the military departments and other Defense agencies. As it applied to the three military departments, the term "separately administered" was changed to read "separately organized."⁶ The change in wording indicates that the military departments were now to be "administered" by the Department of Defense as part of the Defense establishment.

This act also provided the statutory authority for the formation of "unified and specified commands for the performance of military missions."⁷ The authority for establishing such commands

was vested in the President, with the advice and assistance of the Joint Chiefs of Staff (JCS), "through the Secretary of Defense."⁸ Force structure of these commands was to be determined through the same channels and by the same National Authority, but was to be provided by the military departments concerned with the performance of the particular military mission. All other forces "not so assigned remain for all purposes in their respective departments."⁹ Additionally, each military department remained responsible for the administration of that department's forces assigned to the combatant unified or specified command.

Thus, careful analysis reveals that the role remaining to the military departments is that of procuring, training, equipping, administering, and maintaining the forces to be provided to unified or specified commands. No longer are the military departments in the business of actually commanding and controlling forces in the operational or combat environment.

DEPARTMENT OF THE ARMY ACTIONS (SECRETARIAT)

Although the Department of the Army (DA) had undergone at least three significant reorganization actions during the period 1949-1956,¹⁰ its organization was still not of a type to be responsive to the new role it must play as a result of the Department of Defense Reorganization Act of 1958. Consequently, the Secretary of the Army, in agreement with the Secretary of Defense, directed that a comprehensive study of the functions, organization, and procedures of the Department of the Army be

undertaken. The Secretary of the Army appointed Mr. Leonard W. Hoelscher, Deputy Comptroller of the Army, as the Director of that effort.¹¹ The study was completed in October 1961 and was entitled "Study of the Functions, Organization, and Procedures of the Department of the Army, OSD Project 80 (Army)." It is beyond the scope of this paper to provide a comprehensive analysis of the findings, recommendations, and final actions resulting from Project 80. Suffice it to say that the results of this study, as modified and finally implemented, provided the basic staff organization and functional statements for Headquarters, Department of the Army as it is today. This organization serves as a point of departure for study of subsequent actions leading to the formation of the Office, Assistant Vice Chief of Staff, Army.

As previously noted, statutory authority has increasingly provided for centralization of the direction of the nation's defense effort in the Office, Secretary of Defense (OSD). With the appointment of Mr. McNamara as Secretary of Defense in 1961 the trend toward centralization was accelerated. The advent of the computer and other automatic data processing devices allowed vast amounts of data to be transmitted, accumulated, stored, and manipulated at speeds never before possible. This capability allowed higher levels of authority access to and analysis of information and data previously not available to them. Additionally, the volume of data permitted analysis techniques to be utilized and data to be displayed in formats which presented to

top-level decisionmakers more information upon which to base an intelligent and informed decision. In September 1965, Mr. McNamara established the Office of the Assistant Secretary of Defense (Systems Analysis) /ASD(SA)⁷ to enhance the Department of Defense capability for utilization of the available data and the analytic techniques which could be applied to it. Previously a component of the Office of the Assistant Secretary of Defense, (Comptroller) /ASD(C)⁷, the elevation of the Systems Analysis Office to the Assistant Secretary level carried with it the implications of its impact upon the services.

As previously mentioned, the National Security Act of 1947, with its amendments through the Department of Defense Reorganization Act of 1958 retained the civilian Secretaries of each of the military departments. Thus, the ultimate responsibility for performance of the mission of the military department rested with the Secretary. By law,¹² the military departments were limited to three assistant Secretaries who were responsible to the Undersecretary of the Department. In the Department of the Army these were the Assistant Secretaries of the Army, Financial Management; Research and Development; and Installations and Logistics. However, since that time a fourth Assistant Secretary, for Manpower and Reserve Affairs, has been authorized.¹³ It will be noted that, although functionally oriented, there appears to be no interface between the Army Secretariat and the Assistant Secretary of Defense for Systems Analysis. The office with the responsibility for "studying and improving Army management"¹⁴ was that of the

Assistant Secretary of the Army for Financial Management. Within this office, the Office of Operations Research (OOR) was responsible for studies of general management problems. This office was later transferred to the Office of the Undersecretary of the Army (OUS). To this upgrading was added the responsibility to:

. . . expand its function of conducting, sponsoring, monitoring or reviewing studies with more emphasis than the past on the application of modern study techniques to general management problems such as manpower, logistics, readiness and force structure.¹⁵

When one considers the charter of the Assistant Secretary of Defense for Systems Analysis (Appendix I) and the increasing resources made available to him,¹⁶ this seems a rather feeble response to the implied impact the office was to have on resource related actions.

DEPARTMENT OF THE ARMY ACTIONS (OFFICE, CHIEF OF STAFF)

To assist the Secretary of the Army in the performance of his mission as the military department head is the Army Staff. "The Army Staff is that portion of the staff of the Secretary of the Army at the seat of government, which is presided over by the Chief of Staff."¹⁷ Within the Office, Chief of Staff were various special assistants and directors whose functions were either not a specific responsibility of one of the Army General Staff agencies or the function had been elevated to that level

so as to receive more intensive and personal management by the Chief or Vice Chief of Staff (Figure 1).

Those most directly involved with management Army-wide were the Special Assistant to the Chief of Staff for Army Information and Data Systems (AIDS), Director of Special Studies (DSS), Director of Army Programs (DAP), and the Director of Coordination and Analysis (DCA).¹⁸

The Special Assistant for AIDS was responsible for coordinating the various Army Staff agencies' information systems and for assisting and advising the Chief of Staff on matters pertaining to Automatic Data Processing Systems.

The Director of Army Programs was responsible for the coordination and review of the programming effort within the Army Staff. It is significant that at this time (1965) the Department of Defense Planning, Programming, and Budgeting System was being initiated. Thus, here the Army gave its first organizational indication of the realization of the impact of this new system by establishing the review of the programming system at the Chief of Staff level; an action which, as we shall see later, goes the full circle in the attention it receives after the initial formation of the Office of the Director of Army Programs.

The Director of Coordination and Analysis was responsible for:

. . . analytical review and conduct of independent analysis of military studies, plans, and programs involving major policies, strategy, forces, organizations, tactics, deployments, weapons, logistics, and command-control-communications including cost effectiveness analysis or other operations research techniques where applicable; guidance and support to and

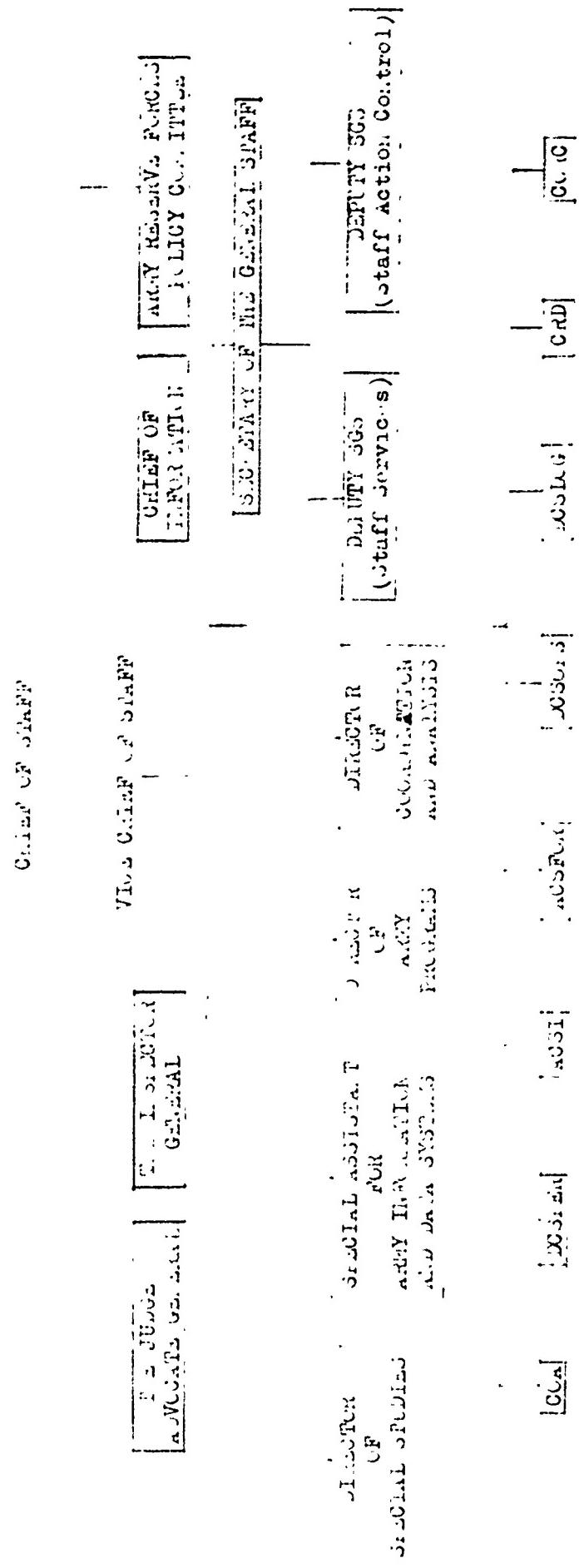


FIGURE 1
النوعان المائي والجاف في صحراء سيناء

coordination and liaison with military and civilian agencies in conducting systems analysis and operations research studies.²⁰

It is interesting to note, however; that in 1963, Mr. Cyrus R. Vance, then Secretary of the Army; directed that some systems analysis capability be established within the Office, Chief of Staff. As a result, the Secretary of the General Staff created a small Systems Analysis Division within his office. This division later was to form the cadre for the Director of Coordination and Analysis Office.²¹

The Director of Special Studies was charged with the coordination and integration of the Army Study Program (TASP) and related systems. His Studies Processing Group was to maintain liaison with OSD, the Joint Staff, Office of the Secretary of the Army, major commands, and other military departments in order to identify gaps or areas requiring special emphasis within the Army Study System. Additionally, the Special Studies Group in his office provided a capability for short-duration, high-impact studies directed by the Chief of Staff.

During this period, the new Planning, Programming, and Budgeting System (PPBS) and the appointment of the Assistant Secretary of Defense (Systems Analysis) were creating increasing pressures for information from the Army Staff. Although extensive personal relationships existed between individual members of both staffs, there was no central point through which a coordinated Army response to an OSD requirement could be quickly obtained. Compounding the problems caused by the requirement for increasing

volumes of information were the decreasing response times imposed by CSD.

As a result of the Army's inability to respond to OSD requirements in either a timely, accurate, or coordinated fashion, Mr. Vance (now Deputy Secretary of Defense) directed, on 15 February 1966, the Army to establish a Force Planning and Analysis Office (FPAO) to "integrate Army requirements for force structure, manpower, materiel, and readiness."²² To lend emphasis to the importance which he placed on this requirement, Mr. Vance loaned to the Army Mr. William K. Brehm, who was Director of Land Forces Program for the Assistant Secretary of Defense (Systems Analysis) as co-director of the new office. The other director was Brigadier General Philipps, who had been Director of Plans and Programs in the Office, Assistant Chief of Staff for Force Development. It was under these conditions that the Force Planning and Analysis Office was formed on 21 February 1966. The functions to be performed were:

. . . integrate Army requirements, develop and assess alternatives, facilitate dialogues and act as a point of contact with OSD, especially in the SEA programming system, and identify major incipient problems.²³

In an attempt to align the now seriously overlapping and duplicative functions of segments of his office, the Chief of Staff directed a further reorganization on 14 April 1966.²⁴ This realignment eliminated the Director of Coordination and Analysis and reassigned his functions to other elements of the Office, Chief of Staff. The systems analysis function was assigned to

the Force Planning and Analysis Office. The realignment also eliminated the Director of Army Programs and assigned his "program-related" functions to the Force Planning and Analysis Office. Other significant actions were to assign the compilation of Program and Budget Guidance to the Comptroller of the Army (COA) and to assign the monitoring of the Department of the Army Systems Staff Officers (DASSO) to the Assistant Chief of Staff for Force Development.

The perceptive reader will have, by now, recognized many of the problems inherent in the organization of the Office, Chief of Staff as it has developed to this point (Figure 2). To point out just a few: (a) The assignment of co-directors of FPAO violates the most basic management principles. Neither of them has clearly delineated responsibilities and Mr. Brein is still holding his primary position as Director of the Land Forces Program, OSD(SA). Thus, channels of command and reporting are not clear. (b) The very title of the Force Planning and Analysis Office implies a super-staff structure doing a job already assigned to a General Staff agency. Force Planning is a major function of, and one of the principal reasons for establishing, the Office, Assistant Chief of Staff for Force Development (OACSFOR). (c) The reassignment of "program-related" functions to FPAO and compilation of Program and Budget Guidance to the COA diluted the importance placed on the programming effort at a time when it was receiving increasing emphasis by the Department of Defense and other agencies reviewing the Army's requests for resources.

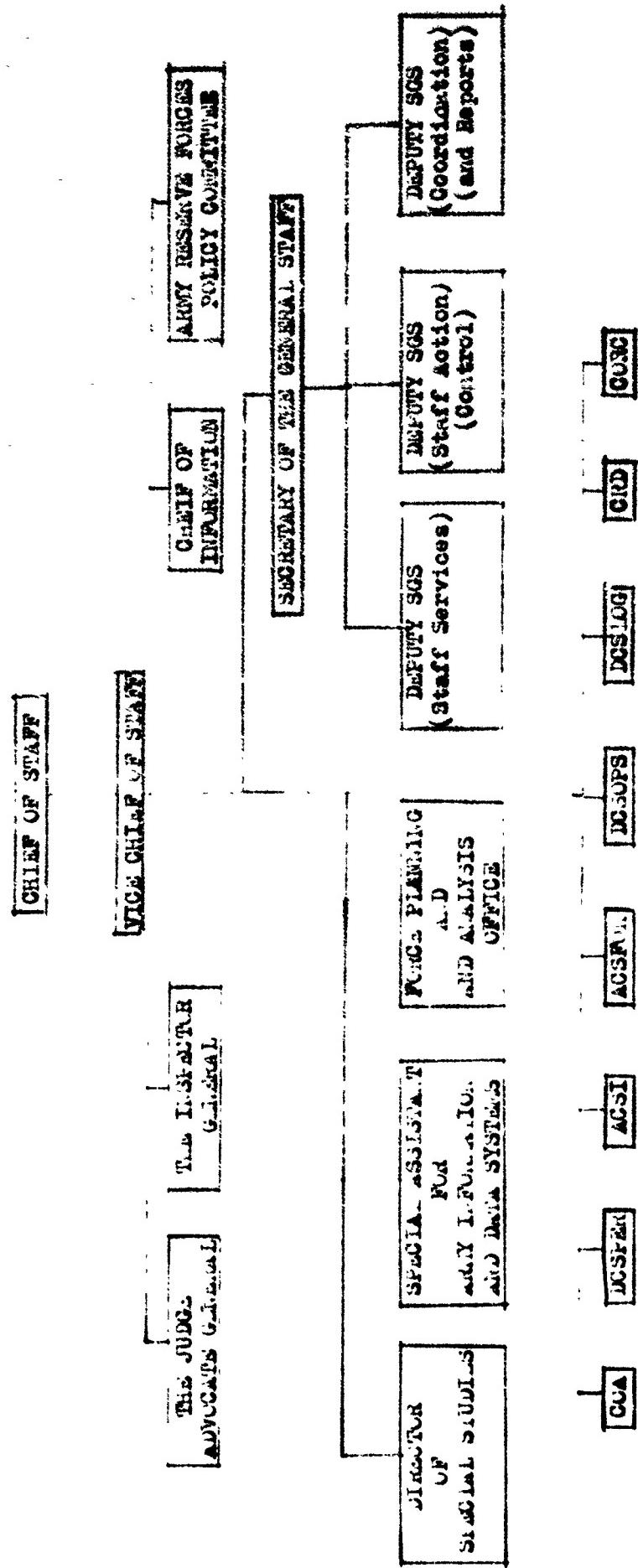


FIGURE 2

ORGANIZATION OF THE OFFICE, CHIEF OF STAFF, ARMY RESERVE FORCES POLICY COMMITTEE, AUGUST 1966²⁵

(d) The span of control of the Chief and Vice Chief of Staff was beyond the capability of any two men to adequately manage.

Further complicating the management environment was the modus operandi of the Secretary of the Army. Mr. Resor did not care to work with the members of the Army General Staff, preferring to deal with either the Chief or Vice Chief of Staff and his own principal assistants. He spent a great amount of time going over each problem in considerable detail.²⁶ Adding to the management problem was the amount of time required for the Chief of Staff to perform in his role as a member of the Joint Chiefs of Staff. The initial deployment to and subsequent buildup of forces in SEA caused a great deal of his time to be spent performing in the Joint arena. Thus, it can be seen that it was a virtual impossibility for the Chief and Vice Chief of Staff to spend the requisite time to insure a coordinated and integrated resource management effort from the Army Staff.

In view of the aforementioned shortcomings it is evident that further reorganization was required to eliminate duplication of effort, provide central direction and authority, and increase the capability of the Army Staff to respond in a timely and credible manner to requirements placed on them by OSD.

Several approaches to the solution of this problem had been suggested. Lieutenant General Bonesteel, then Director of Special Studies, recommended a "top-level group whose function would be to assist the CSA and VCSA. AIDS, FPAO, and DSS were parts of this group but they were functioning in a disconnected

way. What was needed was a chief of staff to the Chief of Staff."²⁷ Lest one assume this to be a totally new concept, it should be pointed out that the Hoelscher Committee, in 1961, recommended the creation of the post of Director of the Army Staff, whose function would be to coordinate the efforts of the Army Staff.²⁸ An ad hoc group in the Office, Chief of Staff came to essentially the same conclusions in a follow-on study.²⁹ The office would not, however, have directive authority over the General Staff, which meant that all decisions would still have to go the Chief or Vice Chief of Staff. It is apparent then, that the realization of the requirement for change was present within the Office, Chief of Staff. This realization was translated into fact with the publishing of Chief of Staff Memorandum 67-64 which established the Office, Assistant Vice Chief of Staff on 16 February 1967 (Appendix II).³⁰

CHAPTER II FOOTNOTES

1. US Naval Institute, Reorganization of the Department of Defense, Chapter I: "Post World War II Evolution of the National Organization for Defense," US Army War College Selected Readings, Command Management Seminar (26 January 1970), p. 226.
2. Ibid.
3. Ibid.
4. Ibid.
5. Ibid., pp. 226-227.
6. US Armed Forces Staff College, Summary of Defense Reorganization Act of 1958 (August 1959), Inclosure 2, p. 2-1.
7. Ibid., p. 2-7.
8. Ibid.
9. Ibid., p. 2-8.
10. US Department of the Army, Study of the Functions, Organizations, and Procedures of the Department of the Army, OSD Project 80 (Army): Part II, Headquarters, Department of the Army (October 1961), pp. II-B-9 through II-B-17 (hereafter referred to as "OSD, Project 80 (Army)").
11. Ibid., p. I-xii.
12. US Armed Forces Staff College, Summary of the Defense Reorganization Act of 1958, p. A-2.
13. US Department of the Army, Army Regulation 10-5: Organization and Functions, Department of the Army (31 July 1968), p. 2-2 (hereafter referred to as "AR 10-5").
14. Raymond Maladowitz, LTC, Office of the Assistant Vice Chief of Staff--Parkinson's Law or Progress? Case Study (Carlisle Barracks, 9 March 1970), p. 8.
15. Ibid., p. 9.
16. US Department of Defense, Department of Defense Instruction 5141.1: Assistant Secretary of Defense (Systems Analysis) (17 September 1965).

17. US Department of the Army, AR 10-5, p. 2-4.
18. Maladowitz, p. 19.
19. US Department of the Army, Office, Chief of Staff: Headquarters, Department of the Army Chiefs and Executives, Organization and Office Directory (1 January 1965).
20. Maladowitz, p. 11.
21. Paul Raisig, LTC, Top Level Management of Army Information and Data Systems, Case Study (Carlisle Barracks, 27 February 1970), p. 24.
22. Maladowitz, p. 17.
23. Ibid.
24. US Department of the Army, Chief of Staff Memorandum 66-178: Reorganization of the Office, Chief of Staff (14 April 1966), pp. 1-2.
25. US Department of the Army, Office, Chief of Staff: Headquarters, Department of the Army Chiefs and Executives, Organization and Office Directory (1 August 1966).
26. Maladowitz, pp. 23-24.
27. Ibid., p. 22.
28. OSD Project 80 (Army), Part II, p. II-149.
29. Maladowitz, p. 22.
30. US Department of the Army, Chief of Staff Memorandum 67-64: Reorganization of the Office, Chief of Staff (16 February 1967) (hereafter referred to as "CSM 67-64").

CHAPTER III

THE EARLY DAYS

On the same day that the formation of the Office, Assistant Vice Chief of Staff was announced by publication of the directive memorandum, General Harold K. Johnson, then Chief of Staff of the Army, called together selected representatives of the elements of his own office and the Army General Staff to address the purposes behind the change he had directed. During his presentation General Johnson remarked:

In one of my first appearances before a Congressional committee I was asked the question: What is the major problem that the Army has?

This was not a question for which there was an answer in the back-up book. But my answer was that basically it was trying to know what our resources were.¹

Later, in the same address, General Johnson said:

Since that time it has become more glaringly evident with each passing day that it is not only knowing what resources we have, but knowing where they are.²

After citing many of the difficulties he had encountered during the two and one-half years he had been Chief of Staff and some of the efforts at their solutions, General Johnson went on to say:

Now what does this mean?
It means that we are taking the resources that we have now devoted to trying to pull together all of the independent systems that we have in the Army and make some sense out of them in one ball.³
(Emphasis added)

With these words, General Johnson was expressing to the Staff his recognition of the fragmentation, duplication, and lack of integrative effort which was causing a loss in the credibility of Army Staff resource-related actions at higher review level.

Throughout the remainder of his address he repeatedly stressed that the function of the new office was to be that of integration, review, and analysis of the General Staff effort. He emphasized that the Assistant Vice Chief of Staff (AVCofSA) was not assuming any of the roles and missions of the Army General Staff.

Now what we are doing here I want to stress is not a criticism of the way that agencies that we have now are performing; it is not critical of the work that individuals have done in any way. It is basically a recognition at long last of what we need to get our job done, and I think that we see this.⁴

General Johnson was to maintain the attitude toward the role of the OAVCofSA which he expressed in the referenced address. His review of the proposed functional statements for the new office indicates this feeling by the manner in which he changed such proposed words as "initiates, performs, directs etc." to the milder "reviews, coordinates, analyzes, recommends, etc."⁵ He did not intend, nor did he permit, the new office to impede the free interchange between himself and the heads of his General Staff agencies.

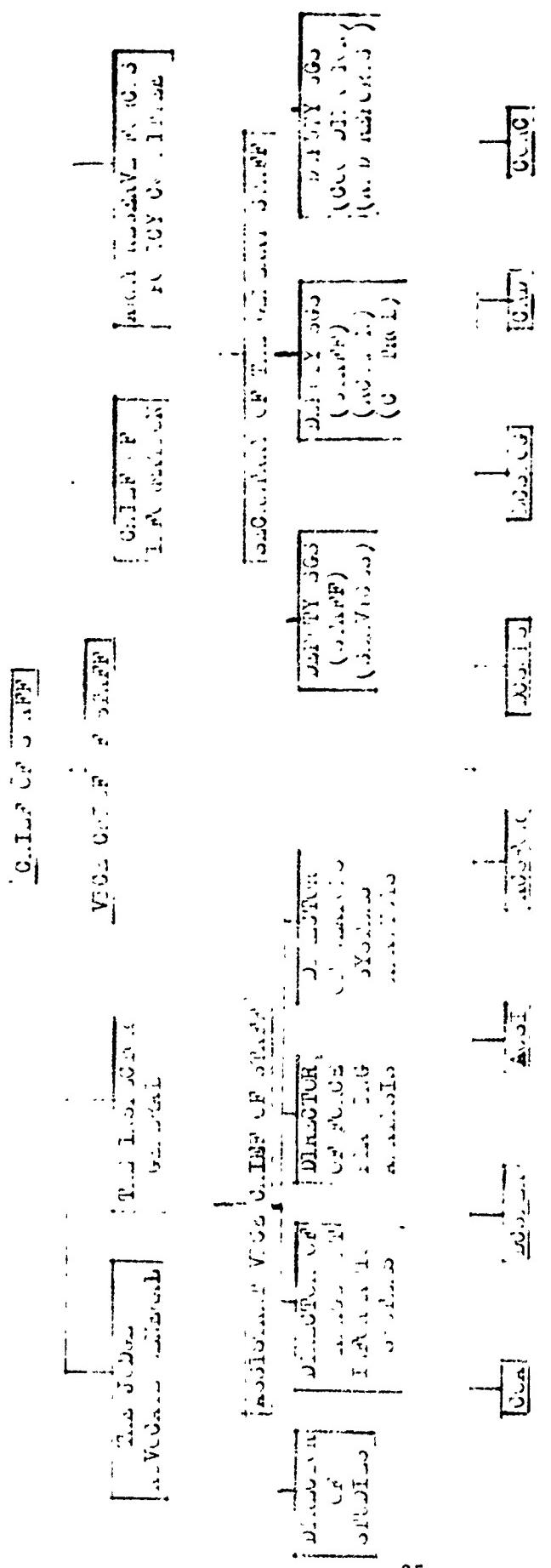
ORGANIZATION AND FUNCTIONS

The organization of the OAVCofSA substantially reduced the span of control of the Chief and Vice Chief by pulling together

agencies which had previously reported individually to them and created new Directorates which would report to the AVCoSA (Figure 3). The organization further reflects four areas which were contributing to the Army's resource management problems and specifically the credibility of the Army's efforts when viewed by the Army Secretariat and the OSD Systems Analysts. These were: (1) lack of integration among and between various staff agency efforts, (2) lack of review, analysis, and consideration of trade-offs in force programs, (3) lack of review, analysis, and consideration of trade-offs in proposed weapons systems, and (4) the fractionalization, diversity, and lack of interface among the information systems upon which managers were required to base resource-oriented decisions.

The first of these problems was to be addressed by the Director of Studies who was to "survey the entire spectrum of Army activities with the assistance of management consultants."⁷ in order that a program aimed at major problem areas could then be developed. This charter was later to evolve as the PRIMAR (Program to Improve the Management of Army Resources) Study. This study effort will be probed and discussed more fully later.

To solve the second major resource management problem the Force Planning Analysis Directorate was established. This resulted in the inactivation of the Force Planning and Analysis Office (FPAO), some of whose personnel resources, along with cost analysts transferred from the Office, Comptroller of the Army, would provide the personnel to man the new Directorate.



CIGAR LAMINATE, JULY 1967 (VOL. 14, NO. 7)

3

The third problem was attacked by establishing the Weapons Systems Analysis Directorate in order to separate the functions of force planning analysis and weapons systems analysis. Part of the personnel resources for this group were to come from FPAO and the remainder (cost analysts) were to be transferred from the Office, Comptroller of the Army.

The fourth of the management problems was to be addressed by the Management Information Systems Directorate. Army Information and Data Systems Command (AIDSCOM), a Class II activity of the old Special Assistant for AIDS, was transferred to the AVCoSA as a Class II activity. Its primary function was to furnish management information to the Secretary of the Army and the Chief of Staff as directed by the Director, Management Information Systems. Personnel assets to staff the new Directorate would be transferred from the Special Assistant for AIDS and that office inactivated.

A further significant impact of the reorganization was that it made the AVCoSA "responsible for keeping the Secretary of the Army and the Chief of Staff directly informed (emphasis added) with respect to matters within his functional area of responsibility."⁸ Thus, the Secretary of the Army now had a single point of contact for resource management related issues.

The aforementioned reorganization actions, when combined with the realignment of functions, provided the structural framework with which to attack the most serious resource management problems facing the Army. For a complete listing of the functions of each

of the new Directorates, the concept of operations for each, and the organization chart, refer to CSM 67-64 at Appendix II.

ARMY GENERAL STAFF REACTIONS

The initial reaction within the Army General Staff agencies was extremely critical of the new organization. Some saw the creation of the OAVCofSA as a usurpation of portions of their traditional staff functions and a threat to their authority for unilateral decisions and actions within established policy. Some of the specific criticisms voiced were:

1. The power and position of the OAVCofSA tend to disrupt and distort the normal operations of the staff.
2. The size of the OAVCofSA generates a high demand for quality personnel at the expense of the rest of the staff.
3. The size of the OAVCofSA results in its getting into primary staff activity--tends to develop parallel staff actions which have been assigned to staff agencies and then to be the proponent of these uncoordinated solutions.
4. The existence of the OAVCofSA tends to insulate the staff from interaction with the Secretariat.
5. The development of a strong inter-disciplinary capability in the OAVCofSA reinforces the tendency to handle quick-response actions in-house rather than requiring and assisting the appropriate staff agencies to become more responsive.
6. The size of the OAVCofSA results in an increased requirement for more detailed information to support the monitoring and review role--a duplication of data available from the staff results.
7. The principle of management by exception is violated by the monitoring role.
8. Its existence has an adverse impact on staff morale since the OAVCofSA projects a "palace-guard" image.

9. The OAVCofSA constitutes one more agency in the coordination exercise. Virtually every action must touch base with the AVCoSA due to his broad-based charter.

10. The OAVCofSA is OSD oriented and does not understand or support the Army position.⁹

ANALYSIS OF CRITICISM

From the point of view of the harassed, already over supervised action officer on the Army General Staff, some of the criticisms of the OAVCofSA were probably justified and valid. Consider that in the process of getting a paper from the action officer to the Chief of Staff the requirements for approvals and coordination is already staggering, i.e., Action Officer to Branch Chief--Branch Chief to Division Chief--Division Chief to Director--Director to Agency Head--Concurrences from one to five or more other agencies--then, finally, Agency Head to the Chief of Staff. To this situation, the imposition of another office which may recommend that the paper be returned (to the Action Officer) for further analysis or consideration of alternatives may well almost be the proverbial straw "that breaks the camel's back." However, let us look at the action from the viewpoint of the Chief of Staff and the Secretary of the Army and address the foregoing criticisms.

The power and position of the OAVCofSA may indeed disrupt and distort the "normal operations" of the staff. However, it was these "normal operations" which led to the creation of the office. Responses to OSD which were fragmented, in some cases, uncoordinated, void of substantive analytical content, and

contained no consideration of alternative or trade-off solutions were some of the practices the AVCoSA had to eliminate or minimize in order to make the Army position on resource management matters more credible to reviewing authorities.

The comment regarding the requirement for high quality personnel is certainly valid. However, personnel with analytical capabilities and training are essential to the performance of the mission of the OAVCoSA. In this regard, it is interesting to note the growth in positions requiring advanced degrees in Operations Research or Systems Analysis which have been validated Army-wide since 1963 (Table 1). Manpower management procedures contain provisions for validation of these requirements and Army Staff agencies could make use of these provisions to validate positions for the creation of their own analytic capability.

ARMY SPACES REQUIRING ADVANCED DEGREES IN OR¹⁰

<u>YEAR</u>	<u>SPACES</u>
1963	23
1964	31
1965	116
1966	286
1967	449
1968	410
1969	550

TABLE 1

The OAVCofSA does, without doubt, get into areas of primary staff activity at times. One of the reasons is that tight suspense dates sometimes preclude the normal staff "solution" to a problem due to the previously discussed layering of supervision and the requirement for coordination. It has been my experience that, in such cases, the OAVCofSA action officer calls a point of contact in the agency or agencies concerned, gets their input from that agency point of view, and then develops the response based on his own knowledge of the requirement and the input received. I submit that this is, in fact, a form of coordination and the response to the requesting authority is expedited by this process.

The insulation of the staff from the Secretariat is not a new phenomenon. As previously noted, the Secretary preferred to deal with just one or two people on these matters as opposed to dealing with the entire Army Staff.

The tendency to handle quick-response reactions in-house and the reasons therefore have been previously discussed. However, it should be noted that many directives exist which require the OAVCofSA to assist appropriate staff agencies to become more responsive. These take the form of general tasking in Chief of Staff Regulations or the specific tasking for a one-time project in Chief of Staff Memorandums.

The increased requirement for more detailed information to support the monitoring and review role results in a better analysis of proposed staff solutions and may lead to the development of alternatives not already considered. In turn, the finished

product is more credible and helpful to those authorities who must make the final decision.

The organization of the OAVCofSA was determined, in a large sense, by the principle of "management by exception." You will recall that each Directorate was established to enable solution of a previously identified management problem. So, while the principle may appear to be violated when looking upward from the Army Staff, it was certainly applied when viewed by the Secretary and the Chief of Staff.

I will not attempt to refute the "palace-guard image" argument except to say that an image lies in the eyes of the beholder and this one perhaps reflects a lack of understanding of the true functions of the OAVCofSA.

As discussed in the introductory paragraph to this section, the OAVCofSA does seem to impose one more agency in the coordination exercise. One of the functions of the organization is, however, to monitor and review. Implicit in this function is the insurance that adequate coordination has been accomplished and that all interested agencies have provided input to the solution. The reader will recall that inadequately coordinated and fragmented responses to requests for information or assigned tasks was one of the criticisms voiced by OSD and the Army Secretariat of Army Staff products.

The analysts in the Weapons Systems and Force Planning Analysis Directorates are certainly OSD oriented in a sense. There is an almost daily interchange between these people; but to use this as

an argument that the OAVCofSA does not understand or support the Army position is entirely specious reasoning. The very reason for this interchange is to increase the ability to support the Army position. In many instances this charge is based on the failure of the OAVCofSA to support a unilateral and parochial position of one Army Staff agency which OAVCofSA analysts know, through their contacts with the OSD Systems Analysts, will not be accepted. I would submit that, in such a case, the OAVCofSA is supporting the Army to a much greater degree than is the agency position which will not sell.

The reader may readily see, as a result of the foregoing analysis, that many of the criticisms are certainly valid when viewed from the position of the individual Staff agency or action officer. However, such is not the case as seen by the Chief of Staff and the Secretary of the Army, who must make the final decision on what course of action is the best for the entire Army and is consistent with guidance received from OSD.

PRIMAR

When the Chief of Staff established the OAVCofSA he had in mind a specific goal:

. . . a management system that is auditable, economic, and responsive to change. . . . The results of this direction when carried out should, in the course of not more than two years, provide a modern, updated, integrated Army resource management system utilizing fully modern and scientific advances in resource control and operating with full regard to costs and related effectiveness.¹¹

He then set forth his conceptual approach for attaining the goal he was striving for.

- a. The Army has at its disposal a formidable array of talent and expertise. However, their efforts are fragmented, are autonomous in many instances, and must be integrated under central direction and control to capitalize on their full capabilities.
- b. Under the supervision of the Deputy Chiefs of Staff, considerable work is now underway to improve and modernize their areas of responsibility. Under the pressure of day-to-day events during this period of stress, this effort varies in intensity, thoroughness, and overall cohesiveness.
- c. Under central direction and control and separated from day-to-day operational responsibility, task forces of experts, aided as appropriate by contract specialists, can probe deeply to search out root causes and effects which are frequently difficult to trace and devious in impact without interference with current operations and activities.
- d. The first step is to survey the entire spectrum of Army activity with the assistance of management consultants. A program of investigation will then specifically be aimed at major problem areas.
- e. These problem areas will then be addressed by ad hoc teams, aided by contractor assistance as appropriate. All levels of organization will contribute expert personnel for the ad hoc teams to provide balance and problem understanding.
- f. As investigations progress (and work will be in progress in many areas concurrently), proposals for remedial action will be surfaced for solution in those cases where there is little likelihood of impact on areas yet to be investigated.
- g. Alternative solutions proposed by the ad hoc teams will then be analyzed and correlated, with the help of management consultants, with detailed recommendations submitted to the Chief of Staff.
- h. Basic to all Army planning, programming, budgeting, and management are three systems (The Army's Management Information Systems, Weapons System Analysis, and Force Planning Analysis) which must be tied together under central direction and control. Sufficient study has

already been accomplished in these areas to delineate clearly the work to be performed. The overall study effort must be in consonance with and relate to these systems.¹²

. . . The Assistant Vice Chief of Staff shall establish . . .

(1) Office, Director of Studies to supervise the longer range studies.¹³

Thus, PRIMAR was born and the echoes of its impact still reverberate through the halls of the Pentagon today.

Approach

On 4 April 1967, the Chief of Staff approved the conceptual approach to the PRIMAR study and the publication of the first directive announcing the purpose and responsibility for the study.¹⁴ The directive announced the overall goal to be "in the course of not more than two years to provide a modern, updated, integrated Army resource planning and management system."¹⁵ The approach envisioned was to divide the study effort into three phases.

The first phase, designated PRIMAR I, was to be conducted by the Special Studies Group, Office, Director of Studies, aided by a contract management consultant firm. After reviewing bids from several reputable firms, McKinsey and Company, Inc., Management Consultants, were selected and awarded the contract. The principal reason for the choice of this firm was the quality of previous work done for Department of the Army and Department of Defense. It was felt that, in light of this previous experience, the "education" time involved in bringing consultants into the program would be shortened.

PRIMAR I was envisioned as a survey of current Army management systems and ongoing improvement efforts in order to develop a plan for PRIMAR II. The first phase was to be completed within ninety days. The PRIMAR I effort was constrained by four important factors.

1. Identify only those problems which are wholly within the Army's capacity to solve.
2. Confine the effort to the DA level.
3. Focus on the overall system.
4. Define, not solve, the problems.¹⁶

The second phase, PRIMAR II, was the problem solving effort. In this phase, the specific problems identified during PRIMAR I would be addressed by individual ad hoc study groups. Solutions to the identified problems would be proposed and integrated into the overall PRIMAR effort in order that a cohesive, balanced management plan could be developed.

The third phase was designated PRIMAR III and was to provide the time for installation of the new system and "de-bugging" it.

PRIMAR I

Those of us involved in the PRIMAR effort soon began to compare our task to that of digging the Panama Canal with a teaspoon. When one considers the size of the Army staff, its varied functions, the diversity of expertise and experience among its members, and the fact that the major focus at that time was on the war in SEA, the scope of the PRIMAR effort truly becomes appalling.

However, if the "canal" was to be dug, the first teaspoon of earth had to be turned. Our first problem was to identify the management systems in use within the Army Staff; their purpose, i.e., procurement of equipment, procurement of personnel, procurement of facilities, maintenance, supply, training, etc.; a detailed description of the management process (to include flow charts); and a description of any ongoing improvement efforts. Because of time limitations, it was evident that a survey by the Study Group of each Army Staff Agency was impossible. Therefore, the Army Staff was tasked, for the first time, to provide the information just described.¹⁷ The response to this tasking ranged from superb to useless. In those instances where the requisite information was not furnished, individual members of the study team interviewed action officers and supervisors in order to complete the systems identification. In this endeavor more than 250 management processes and 100 ongoing improvement programs were identified.¹⁸

With the mass of data thus acquired, it soon became evident that some systematic approach was required in order to analyze, collate, and identify problem areas. To meet this requirement the "Landscape of Army Resources Management" was developed (Figure 4).¹⁹ By use of the "Landscape" we were able to identify each of the management processes and ongoing improvement projects with the major resource to be managed and the major Army resource management function. We were then able to identify the linkages (or lack thereof) among the various processes.

"LANDSCAPE" OF ARMY RESOURCE MANAGEMENT

MAJOR RESOURCES TO BE MANAGED	MAJOR RESOURCE MANAGEMENT FUNCTIONS					
	ONGOING PLANNING-PROGRAMMING-BUDGETING		DISTRIBUTING/REDISTRIBUTING AVAILABLE RESOURCES		EXECUTING APPROVED PROGRAM ACTIONS (5)	MEASURING PERFORMANCE AGAINST APPROVED PROGRAMS (6)
	Planning Resource Requirements & Obtaining Major OSD Decisions & Guidance (1)	Developing Detailed Programs And Budgets (2)	Resolution of Major Distributing Actions (3)	Developing Detailed Plans And/Or Priorities (4)		
Forces	1	2	3	4	5	6
Personnel	7	8	9	10	11	12
Equipment	13	14	15	16	17	18
Supplies	19	20	21	22	23	24
Facilities	25	26	27	28	29	30
Research and Development	31	32	33	34	35	36
Other Support (Medical Support, Communications, Intelligence, Army-wide Activities - BP 2500)	37	38	39	40	41	42
Funds	43	44	45	46	47	48

FIGURE 4

By use of the "Landscape" we were able to identify the major shortfalls in the DA system and recommend studies for their improvement. Twenty-three studies were initially scheduled for PRIMAR II. However, these were reduced by elimination of two of the studies and the combination of two others into one study. Thus, the requirement for PRIMAR II was for twenty separate studies to address the major problems surfaced during the PRIMAR I effort.²⁰

PRIMAR II

As a product of PRIMAR I a plan was developed for conducting PRIMAR II. As originally envisioned, this phase was to be completed in one year. The study plan was extremely complicated, envisioning some studies starting immediately, and others beginning as Interim Study Products became available from the earlier studies or as required to feed their products to other study groups.

During the PRIMAR I effort, it became evident that some single mechanism was required to integrate the entire Army Staff management effort. After looking at several methods by which this might be accomplished, i.e., programing and budgeting system, force development system, readiness system, etc., it was decided that an analysis of the Army's primary mission might provide the answer. As previously discussed, this mission was essentially to provide fully trained and equipped units for assignment to the Commanders in Chief of the various unified

and specified commands for ultimate employment in their combat role. Therefore, it was decided that the primary effort during PRIMAR II would be the development of a measure of force readiness which would allow decisionmakers to evaluate the impact of their decisions on the readiness of the force as a whole or subelements of the force structure if they so desired. All other elements of the PRIMAR II effort would provide the input to this main study effort which would develop the integrating mechanism for the overall resource management system. The other studies would then evaluate subelements of the resource management system and point their solutions toward recommending improvements to management efforts as they related to the readiness of the force as a whole and ways in which the impact of the subelements of the management system could be measured in terms of force readiness. The entire range of PRIMAR II studies, the objectives of each, and General Staff Agency responsible for each is at Appendix III.²¹

The twenty PRIMAR II studies produced a total of 231 recommendations for improvements to the Army resource management system. Of these, 206 were approved by the Vice Chief of Staff and ordered implemented.²² Among these was the system of readiness displays developed by Project 1-1; the integrating mechanism for the entire management process.

PRIMAR III

With the completion of PRIMAR II, the designing of an integrated resource management system and development of a plan for

the implementation of the approved recommendations, the Director of Studies had fulfilled his responsibilities as originally envisioned by the Chief of Staff. Supervision of the implementation phase (PRIMAR III) was then transferred to the Director, Force Planning Analysis.²³

Responsibility for implementation of the approved recommendations was assigned to the staff agency having primary interest in the completed management improvement. It soon became evident that the process from approving recommendations to implementation of systems was a long and difficult one. One problem encountered was that many of the approved subsystems were dependent on successful completion of on-going improvement projects which would require considerable time and effort to complete. The Personnel Inventory Analysis model (PIA) was an example of such a project.

As of March 1970, 132 of the 206 approved recommendations had been implemented. The payoff of some of these was quite significant. As an example, Project 2-1 had revised the Army Planning System so as to provide planning documents which would be of more use to programers and more closely interface with the JCS and DOD Planning Systems. Consequently, on 4 November 1970, a revised AR 1-1, The Army Planning System, was published.

On the other hand, Project 1-1, The Integrated Readiness Measurement System, was dependent on the managers of various resource subsystems (equipment and personnel procurement, training, supplies, etc.) agreeing on a common list of claimants for their resources and common rules of fill. It was also dependent, for

automation, on The Army Operations Center System (TARMOCS) computer being programed to handle the data manipulation and to provide the output displays. On 30 March 1970 the Vice Chief of Staff approved the termination of implementation efforts for Project 1-1. The reasons given (and the source of this information, quite understandably, does not wish to be quoted) were that DCSLOG and DCSPER could not agree on the common list of claimants or rules of fill required to project readiness levels of various force elements. As a side issue, DCSOPS had never appeared pleased that the system would be automated on the TARMOCS computer. Additionally, asset data upon which to base readiness projections were not considered accurate enough to make such projections meaningful to decisionmakers. Thus, because of the lack of willingness to alter longstanding methods of doing business (due to parochial interests) and the inability to agree on changes for the common good, died the mechanism by which the entire system envisioned by the PRIMAR II effort was to be integrated.

Other PRIMAR recommendations are still in the process of being implemented by the Army Staff. However, they are now being monitored by the committee responsible for the Keystone Management System.²⁴

Lessons Learned

The resources required to conduct the PRIMAR studies were extensive, costing the Army over \$700,000 in contractual effort, over 100 man-years of professional Army Staff effort, and over

two years of major effort on the part of the principal staff agencies.²⁵ The final utility of the product in relation to the resources expended may never be fully assessed. However, observation of the entire effort pointed out some serious shortcomings in the overall study effort.

First, the two-year time constraint was unrealistic. In a project of the magnitude and scope of PRIMAR, problem definition is extremely critical. With only three months to complete the problem definition phase in an organization as large and complex as the Army Staff, the study teams were limited as to the depth of exploration of potential problem areas. Therefore, some problems which appeared to be significant and warrant further study in Phase II were later discovered to have a limited impact upon the objectives of the overall study. Other problems were later surfaced which should have been included in the scope of the PRIMAR II plan, thus causing changes to study directives and disrupting the work of the study groups affected.

Second, the Army Staff never really supported the PRIMAR effort. This was quite evident in the manner in which study team members were received when conducting interviews and, in some cases, the quality of personnel which Staff agencies provided to the PRIMAR II study teams. Of course, the natural tendency for a manager, when required to furnish personnel to an effort not directly related to his day-to-day operations, is to send the individuals he can most easily function without. In most cases, these are the least productive and knowledgeable people in his

organization. The start-up problems of the PRIMAR II studies were compounded by the assignment of many such personnel to the study teams.

Third, the assignment of proponency for the individual PRIMAR II studies to individual Staff agencies affected the objectivity with which any study should be conducted. In numerous instances, the study group's findings and recommendations were rejected and changes directed by the proponent agency. This caused severe morale problems within the study groups, slippage in scheduled completion dates, and most important, a final product which did not necessarily reflect the best solution to the problem being considered.

Fourth, contractor personnel should be used in such an effort only to address specific problems and then, a specific product required of them. The education time required for these personnel to become familiar with even the most fundamental Army Staff procedures and functions adds significantly to the overall study time by detracting from the efforts of the professional staffs engaged in the study.

Last, an overall Director for an effort of this magnitude should be provided. Theoretically, this was the Chief or Vice Chief of Staff. However, their involvement in day-to-day problems precluded their active assumption of the role. The Director should have authority to dismiss unqualified personnel and to require their replacement, an analytical staff to determine the

**adequacy of study products, and the "clout" to insure the support
of all agencies involved in the effort.**

CHAPTER III FOOTNOTES

1. Harold K. Johnson, GENERAL, "Reorganization of the Office, Chief of Staff," Address to Selected Members of the Army Staff (16 February 1967), p. 1.
2. Ibid.
3. Ibid., p. 3.
4. Ibid., p. 7.
5. This information was derived from a study of the proposed functional statements for the OAVCofSA as compared to the functional statements of the Army General Staff agencies prepared by the Office, Director of Studies in February 1966. General Johnson's comments and changes are handwritten throughout the study. The study was never formally published and exists as a working paper in the historical files of the OAVCofSA.
6. US Department of the Army, Office, Chief of Staff: Headquarters, Department of the Army Chiefs and Executives, Organization and Staff Directory (1 July 1967).
7. CSM 67-64, p. 2.
8. Ibid., Inclosure 1, para 10.
9. US Department of the Army, Report of the Special Review Panel on Department of the Army Organization, Volume II: Detailed Organizational Discussion (1 February 1971), pp. 28-29.
10. Ibid., p. 22.
11. CSM 67-64, p. 2.
12. Ibid., p. 2-3.
13. Ibid., p. 3.
14. US Department of the Army, Chief of Staff Memorandum 67-142: Program to Improve the Management of Army Resources (4 April 1967).
15. McKinsey and Company, Inc., "An Action Plan for PRIMAR II, Department of the Army" (September 1967), pp. i-ii.
16. Ibid., pp. ii-iii.

17. US Department of the Army, Chief of Staff Memorandum 67-154: Initial Staff Requirement, Phase I, Program to Improve the Management of Army Resources (13 April 1967).
18. McKinsey and Company, Inc., "An Action Plan for PRIMAR II," p. iii.
19. Ibid., Exhibit I.
20. US Department of the Army, Program to Improve the Management of Army Resources (PRIMAR): Final Summary Report (May 1969), p. 2.
21. Ibid., Appendix A.
22. US Department of the Army, "PRIMAR Status Report," Memorandum for the Assistant Vice Chief of Staff (March 1970). Data contained herein was compiled from the detailed status of each of the PRIMAR II Projects.
23. US Department of the Army, Chief of Staff Memorandum 69-106: Implementation Schedule for Approved Planning Documents of PRIMAR Project 2-1, "Strengthening the Army Objectives and Resource Management System" (12 March 1969).
24. Maladowitz, pp. 50-55. (For a detailed description of the Keystone Management Committee; its organization, functions, and the results of its efforts, the reader is referred to the Maladowitz Study.)
25. US Department of the Army, After-Action Report: PRIMAR Program to Improve the Management of Army Resources. Case Study (May 1969), p. 1.

CHAPTER IV

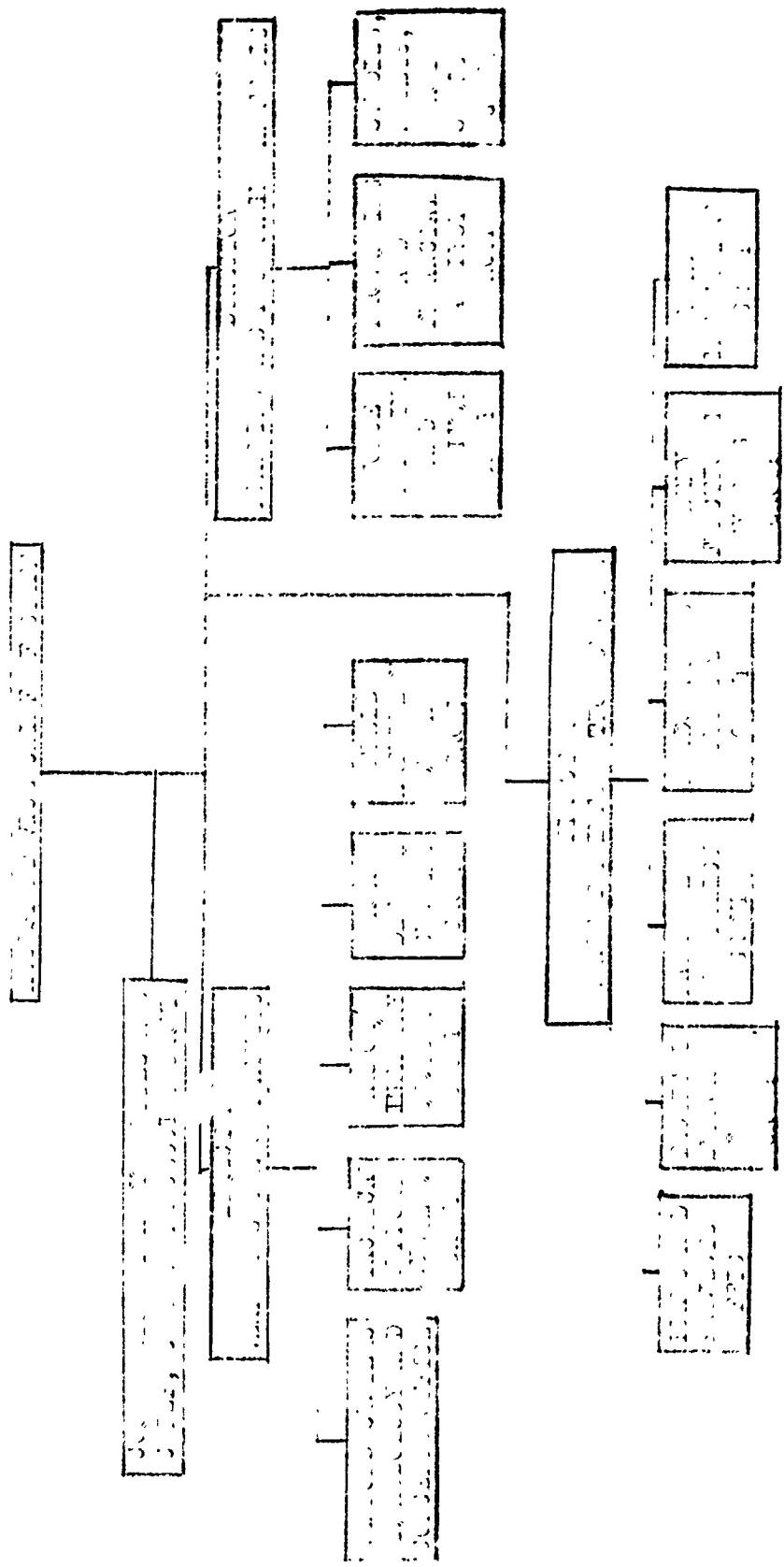
THE MANAGEMENT ROLE TODAY

We have explored the historical aspects of Army resource management as they relate to the decision to establish the Office of the Assistant Vice Chief of Staff and some of the early efforts of the Office to fulfill its visualized role in the management of Army resources. Let us now explore the current organization (Figure 5), functions, and the role which the OAVCofSA plays in the Army Resource Management System today.

PLANNING, PROGRAMMING, AND BUDGETING

During the McNamara era, the Planning, Programming, and Budgeting System (PPBS) evolved as essentially being driven by the OSD Systems Analysts. Draft Presidential Memorandums (DPM) were produced which gave the services guidance in their programming and budgeting effort. This guidance might take the form of the number of divisions authorized, total end strength authorized, number of days of supplies in the pipeline, and other guidance of this nature. There was no constraint, however, on the number of dollars to be included in the service budget as long as the dollars were to be spent for an approved program.

Consequently, the service budget submissions were based on their estimate of the money required to provide, train, and equip the forces authorized by the DPM's. This is not to say that the budgets were then automatically approved by OSD and Bureau of the



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Budget. Such was far from the truth. Bitter battles raged over the service estimates of costs and the estimates which OSD thought were reasonable. These disagreements were usually based on OSD Systems Analysts refusal to accept the cost factors, the number of personnel required in the Transient, Training, Patient, and Student (TTP&S) account, the equipment buy required to sustain a certain force level, and many other such factors which impacted on the total budget estimate. It follows that, in most instances, the services lost these battles. The Army's credibility with the OSD reviewers did improve, however, with the systems approach to analysis and justification which was enhanced by the formation of the OAVCofSA.

When Mr. Laird and Mr. Packard assumed office as Secretary and Deputy Secretary of Defense in 1969, a change to the management philosophy of the department occurred; a change which Mr. Laird has referred to as "participatory management." The implications and practical application of this philosophy meant that the services now had to make the hard choices on how to spend their money based on a dollar target or ceiling assigned by OSD.²

The new management philosophy as it applied to the PPBS was placed in effect with the publishing of Department of Defense Instruction (DODI) 7045.7; The Planning, Programing, and Budgeting System; dated 29 October 1969 (Appendix IV). The new system envisioned more participation by the Joint Chiefs of Staff and the Services in the PPBS cycle. It also provided for the issuance of Fiscal Guidance by the Secretary of Defense. This guidance

would provide dollar ceilings by Major Five Year Defense Program within which each Defense agency would construct their annual budget request.³ Thus, the services were given the latitude to determine their own force structure and other budget elements within the dollar guidance provided. This meant that the services now had to make the decisions which had previously been made for them by OSD. In turn, the services were required to do much of the analysis for balance and trade-off which had previously been accomplished at the higher review level. OSD would then make the decisions in regard to competing weapons systems or forces between services which were designed to perform essentially the same mission.

It can be readily seen that the requirement for review, analysis, coordination, and integration of all DA General Staff agency inputs became even more vital than previously since each of the Major Five Year Defense Programs were assigned to various agencies within Headquarters, DA to manage (Table 2).⁴ Until the new system became effective, these functions were charged to the Program Budget Advisory Committee (PBAC) insofar as they applied to the annual budget submission and the DA segment of the Five Year Defense Program (FYDP).⁵ This committee was chaired by the Director of the Army Budget and consisted of the Directors within each Major Staff agency having responsibility for programming and budgeting for that agency. The committee had no staff to perform independent analysis and its operation was, at best, a give and take session until some point of impasse was reached.

DA PROGRAM DIRECTORS FOR MAJOR FYDP PROGRAMS⁴

<u>PROGRAM</u>	<u>TITLE</u>	<u>DIRECTOR</u>
1	Strategic Forces	ACSFOR
2	General Purpose Forces	ACSFOR
3	Intelligence	ACSI
3	Communications	ACSC-E
4	Airlift/Sealift	DCSLOG
5	Guard and Reserve Forces	CORC
6	Research and Development	CRD
7	Central Supply and Maintenance	DCSLOG
8	Training, Medical, and Other General Personnel Activities	DCSPER
9	Administration and Associated Activities	DCSPER
10	Support of Other Nations	ACSFOR

At this time all points still in contention were referred to the Chief or Vice Chief of Staff for decision. Additionally, as a "committee of peers" its chairman had no directive authority to resolve issues without going to the Chief or Vice Chief of Staff.

In recognition of the problems posed by the new PPBS, the Vice Chief of Staff directed the Comptroller of the Army (COA) to make an examination of the Army's organization and procedures in the area of programing and budgeting and to make appropriate recommendations as to how they might be improved. The study committee was to include representatives of the AVCoSA, DCSPER, ACSFOR, and DCSLOG.⁶ The COA agreed strongly with the requirement stated by the VCofS and chaired the study committee personally.⁷

As a result of the work of the Committee on Army Financial Management and in recognition of the need for strong, centralized management of the Army Programing System, the Assistant Vice Chief of Staff was given the responsibility for management of the system.⁸ The implementing directive (CSR 5-10) is worded so as to leave no doubt as to the identity of the Army's Master Programer.

4. RESPONSIBILITIES.

a. The Vice Chief of Staff, Army is responsible for the discipline, guidance, and management of the Army Programing System. . . .

b. The Assistant Vice Chief of Staff, Army (AVCoSA) will discharge primary Army Staff responsibility for--

- (1) Developing and supervising the Army Programing System.
- (2) Developing program guidance and coordinating program guidance with the appropriate elements of the Army Secretariat.

(3) Guiding the Army Staff in actions relevant to the development of the Army Program and reviewing, monitoring, and coordinating the Army Staff responses to program guidance.

5. PROCEDURES. In the Exercise of his responsibilities the AVCoSA will initiate required guidance for the preparation of programs and documents of the Army Programming System.⁹

In another directive, the responsibility of the OAVCoSA was restated:

a. The function of directing and coordinating all programming activities within the Army Staff to meet the requirements of the revised Planning, Programming, and Budgeting System is assigned to Office, Assistant Vice Chief of Staff (OAVCoSA). In this connection the Director, Force Planning Analysis is redesignated "Director of Planning and Programming Analysis."¹⁰

The work of the Committee on Army Financial Management resulted in further modification to the Programming and Budgeting System within the Army. A senior committee, chaired by the AVCoSA, with membership consisting of the DCSOPS, DCSPER, DCSLOG, COA, CRD, CORC, ACSFOR, ACSI, and ACSC-E was established. This group, entitled the Selected Committee (SELCOM), was to:

- a. Consider and interpret guidance from the Secretary of Defense, Secretary of the Army, and CoSA.
- b. Consider proposed guidance, analyses, and recommendations from subordinate committees and other sources designated by the committee.
- c. Develop a coordinated Army Staff position on major resource programming and utilization matters and recommend courses of action, when required, to the CoSA . . .
- d. Make program, budget, and funding decisions within the bounds of established policy and guidance.¹¹

This action insured that the senior Department of the Army officials responsible for management of segments of the overall Army Resource Management System participated in, were aware of, and voiced their opinions on resource-related matters.

Two sub-committees were also established to assist the SELCOM in its function of managing the Army Programming System. These were the Budget Review Committee (BRC) and the Program Guidance Review Committee (PGRC).

The Budget Review Committee was to:

. . . consist of the Director of Army Budget, OCA (chairman); Director of Planning and Programming Analysis, OAVCofSA; and the Directors having responsibility for budgeting in: ODCSOPS, ODCSPER, ODCSLOG, OCRD, ORD, OACSFOR, OACSI, and OACSC-E.¹²

The purpose of the organization of the BRC was to "review and analyze Army budgeting actions . . . and to prepare budget analyses, and make recommendations to the SELCOM."¹³ Further, the Director of the Army Budget, OCA was required to provide analytical support for the committee; a capability not available to the old PBAC.

The Program Guidance Review Committee was to:

. . . consist of the Director of Planning and Programming Analysis, OAVCofSA (chairman); Director of the Army Budget, OCA; Assistant Director of the Army Budget (OMA), OCA; and the Directors or Division Chiefs having responsibility for programming in: ODCSOPS, ODCSPER, ODCSLOG, OCRD, ORC, OACSFOR, OACSI, and OACSC-E.¹⁴

The purpose of establishing the PGRC was to "develop proposed guidance, review, and analyze Army programming actions, . . . and

make recommendations to the Chairman of the SEICOM."¹⁵ Further, the Director of Planning and Programming Analysis was to provide analytical support for the committee.

These actions were extremely significant in that programming and budgeting were now to be recognized and treated as separate functions; each receiving the attention they deserve and with management interest and involvement at the highest level. Additionally, actions in both areas now had a solid base of analysis upon which decisions could be made. Finally, the responsibility for decisionmaking in both areas was returned to the Chief of Staff level by virtue of the AVCofSA chairing the SEICOM and being designated as the Staff Agency with primary responsibility for managing the Army's Programming System.

The functioning of the OAVCofSA in the Army Programming System is in two directions. First; the translation of OSD guidance to the members of the Army Staff having responsibility for each particular program and second; the review, analysis, and development of alternatives to staff proposals for presentation to decision-makers. As stated by the incumbent AVCofSA, Lieutenant General William E. DePuy, "The single most important function of my office is that of master programming."¹⁶

One important segment of the PPBS which is still less than satisfactory is that portion which requires the dissemination of timely and effective program and budget guidance to subordinate commands. The AVCofSA and Director of the Army Budget (OCA) are aware of this problem and are working to find a solution.¹⁷

Rapidly changing guidance or delayed decisions from OSD are extremely complicating factors which must be overcome.

Before leaving this section dealing with the PPBS, it should be noted that the system discussed here is, even now, in the process of change.¹⁸ While it may be the intent of Mr. Laird and Mr. Packard to decentralize management in the DOD, it appears that there may be a move afoot to further centralize Defense management at the Defense Program Review Committee and National Security Council levels. The impact or the certainty of such a move cannot be assessed at this time. In any event, it would appear that the role of the OAVCofSA would become even more important should such a higher level of centralization materialize.

OTHER FUNCTIONS

The currently approved functions of the OAVCofSA are set forth in CSR 10-25, "ORGANIZATION AND FUNCTIONS: Office of the Chief of Staff" dated 4 March 1968. Since the initial publication, three changes have been issued to this regulation; the latest dated 2 May 1969. It is anticipated that the entire regulation will be republished later this year as CSR 10-10 and under the same title. At Appendix V is the proposed functional statement for the OAVCofSA and all its subordinate elements.¹⁹ Additional responsibilities of the OAVCofSA can be found in other CSR's relating to specific projects or subsystems of the resource management system.

Among these is the responsibility to monitor all Army Staff activity relating to the management of prepositioned materiel configured to unit sets.²⁰ The concept of this activity is that of prepositioning materiel for units scheduled for deployment and assignment to unified commands in the event of a contingency requiring such movement. Army Staff agencies having responsibility in this area are DCSOPS, DCSLOG, and ACSFOR. Hence, we see again the OAVCofSA assigned a monitoring role to insure coordination and integration of the efforts.

Another example is the responsibility of the OAVCofSA as related to the Army Force Programming System²¹ and in preparation of the Army Force Development Plan.²² In both instances the OAVCofSA is charged with "assisting Army Staff agencies on force structure requirements and readiness, manpower, and materiel matters . . ."²³ associated with each of the activities. Additionally, the office is to provide "guidance and assistance in developing and applying manual and automated models to determine force structure requirements, and to compare costs, capabilities, and readiness levels."²⁴ Army Staff agencies involved in Force Programming are ACSFOR, DCSPER, DCSOPS, DCSLOG, COA, ACSI, and ACSC-E. In this instance we see the OAVCofSA not only performing a monitoring role but actively assisting the various staff agencies by providing input in the form of systems analysis techniques in order that the final product may reflect alternatives and trade-off considerations.

Another excellent example of the role of the OAVCofSA can be found in the CSR pertaining to cost estimating and cost analysis.²⁵ Although the Comptroller of the Army is assigned primary staff responsibility for these functions, he is charged to coordinate with the OAVCofSA in maintaining "computerized cost models that determine cost impacts of changing mixes of forces and deployments."²⁶ Further, the COA, in coordination with the OAVCofSA is charged to "communicate directly with the Office, Assistant Secretary of Defense (Systems Analysis) and Office, Assistant Secretary of Defense (Comptroller), when required to assure DOD cost comparability."²⁷ Here we see the attempt to assure increased acceptance of the Army submissions at higher echelons of review.

Although not specifically charged, the AVCofSA performs another vital function. Anyone who has served on the Army Staff is aware of the extensive prebrief, brief, and debrief procedures established in order to prepare the Chief of Staff and his Operations Deputy for their roles in the corporate body of the Joint Chiefs of Staff. The Assistant Vice Chief of Staff has assumed the same role as it relates to resource management by providing the Secretary of the Army the information he requires when discussing resource related questions with the Secretary of Defense.²⁸

Many other examples could be cited as illustrations of the practical application of the charter of the OAVCofSA. However, the foregoing, when coupled with the functional statement for the Director of Management Information Systems, serve to point out the role played by the AVCofSA in the management of Army resources.

How useful has this role been to the Army Staff and reviewers at higher echelons? The comment of Colonel John Currier, Executive Officer to the Comptroller of the Army, is an indication of the answer to this question. "The Army Staff's ability to manage the dollar crises of the past year was greatly enhanced by the existence of the Office of the Assistant Vice Chief of Staff."²⁹ Colonel Currier went on to say that the analytical capability and the ability to provide a credible response in a short period of time were the principal factors contributing to the successful performance of the OAVCofSA.

Thus we have seen how the Office of the Assistant Vice Chief of Staff has attempted to resolve the problems of lack of integration among and between the various staff agency efforts; the lack of review, analysis, and consideration of trade-offs in force and weapons systems programs; and the fractionalization, diversity, and lack of interface among information systems. When taken singly, one might feel that the impact of any of the aforementioned problems on the resource management effort is not overly significant. However, when viewed in their entirety, realizing the impact which a shortfall in any of the areas will create in others, the solution to any of the problems becomes extremely significant.

History will judge the effectiveness of this attempt to solve the problems of resource management. When viewed in the light of its apparent results, one can only deduce that it is a vast improvement over the efforts which had previously sought to solve the ever-changing resource management equation. The initial objections

to the new organization by some members of the Army Staff are certainly valid from the viewpoint of the agencies and individuals concerned. However, analysis indicates that most of the objections were based on wounds which were essentially self-inflicted. Until the Army Staff is able to solve the problems of resource management by normal staff coordination procedures, then an agency such as the Office of the Assistant Vice Chief of Staff is required.

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9. Ibid., p. 1-2.
10. US Department of the Army, Chief of Staff Memorandum 70-87: Improvement of Army Financial Management (9 March 1970), p. 1.
11. US Department of the Army, Chief of Staff Regulation 15-17: BOARDS, COMMISSIONS, AND COMMITTEES, Select Committee (6 March 1970), p. 2.
12. US Department of the Army, Chief of Staff Regulation 15-23: BOARDS, COMMISSIONS, AND COMMITTEES, Budget Review Committee (6 March 1970), p. 1.

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Unit Sets (28 November 1969).

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(27 February 1969).

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27. Ibid., p. 4.

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D.C., 28 December 1970.

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28 December 1970.

CHAPTER V

CONCLUSIONS

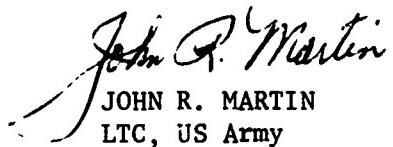
The conclusions drawn from this study are as follows:

- a. The arena within which the management of Army resources must be conducted can be traced to the National Security Act of 1947 and its amendments through the Department of Defense Reorganization Act of 1958. These statutes provided for the establishment of the Department of Defense and consequently, the directive authority of the Secretary of Defense.
- b. The primary mission of the Army today is that of resource management, i.e., procuring, training, and equipping forces to be assigned to unified or specified commands for ultimate employment in the combat role.
- c. The Army Resource Management System was not responsive to the requirements placed on it as a result of the OSD systems approach to management. Responses to OSD were not timely nor were they credible.
- d. The core of the Office of the Assistant Vice Chief of Staff, Army was established at the direction of OSD. This was the Force Programming and Analysis Office, established in 1966 and now known as the Directorate for Planning and Programming Analysis.
- e. The decision to form the Office, Assistant Vice Chief of Staff, Army was made in recognition of additional

**resource management problems not addressed by FPAO and the necessity
for top-level direction of resource management efforts.**

f. The Office, Assistant Vice Chief of Staff, Army, has been effective in resolving many of the resource management problems and in directing efforts toward the solution of others. This is evidenced by the increasing credibility of the Army position on resource-related matters shown at the higher levels of review.

g. In response to the dynamic nature of the field of resource management, a requirement for the Office, Assistant Vice Chief of Staff, Army or some other office performing essentially the same functions, will continue to exist for the foreseeable future.



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LTC, US Army

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September 17, 1965
NUMBER 5141.1

Department of Defense Directive

SUBJECT Assistant Secretary of Defense (Systems Analysis)

I GENERAL

Pursuant to the authority vested in the Secretary of Defense under the provisions of Title 10, United States Code, one of the authorized positions of Assistant Secretary of Defense is hereby designated the Assistant Secretary of Defense (Systems Analysis) with the responsibilities, functions, and authorities as prescribed herein.

II RESPONSIBILITIES

The responsibilities of the Assistant Secretary of Defense (Systems Analysis) are:

1. To review, for the Secretary of Defense, quantitative requirements including forces, weapon systems, equipment, personnel, and nuclear weapons.
2. To assist the Secretary in the initiation, monitoring, guiding, and reviewing of requirements studies and cost-effectiveness studies.
3. To encourage the use of the best analytical methods throughout the Department of Defense.
4. To conduct or participate in special studies as directed by the Secretary of Defense.

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III FUNCTIONS

Under the direction, authority and control of the Secretary of Defense, the Assistant Secretary of Defense (Systems Analysis) shall perform the following functions:

1. Develop measures of cost and effectiveness in order to make quickly and accurately analyses of a variety of alternative programs of force structure, weapons systems, and other military capabilities projected over a period of several years.

2. Assemble, consolidate, summarize, and present data in various forms so as to show the total implications of alternative programs in terms of relative costs, feasibility and effectiveness and the problems of choice involved.

3. Analyze and review quantitative requirements in the following functional fields:

a. Force Structures.

b. Total Manpower.

**c. Weapons Systems and Major End Items of Materiel;
e.g., bombs, torpedos, ships, vehicles, ammunition.**

d. Nuclear Weapons.

e. Transportation, including mobility and deployment.

f. Information and communication systems closely related with the above requirements.

4. Analyze and review quantitative military requirements of allied and other foreign countries.

5. Assist the Secretary of Defense in initiating, monitoring, guiding, reviewing and summarizing requirements studies.

6. Participate in review of Consolidated Programs for command, control, communication, and intelligence functional activities.

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Sept 17, 65
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7. Develop planning guidance and effectiveness criteria to be used in the determination and compilation of requirements by DoD components for materiel, weapons, transportation and information and communications systems for command and control and intelligence.

8. Review overall force guidance and associated plans.

9. Analyze impact upon civilian economy of DoD utilization of resources in above functional areas.

10. Provide special support to the Secretary of Defense for DoD participation in those non-defense governmental programs assigned by the Secretary of Defense and in which DoD has strong interest, to include e.g., the Supersonic Transport Program, maritime subsidies, oil imports, and like programs but to exclude such programs as Civil Works which are assigned by Congress to specific DoD components.

11. Perform such other functions as the Secretary of Defense may assign.

IV RELATIONSHIPS

A. In the performance of his functions, the Assistant Secretary of Defense (Systems Analysis) shall:

1. Coordinate actions, as appropriate, with DoD components having collateral or related functions in the field of his assigned responsibility.

2. Maintain active liaison for the exchange of information and advice with DoD components, as appropriate.

3. Make full use of established facilities in the Office of the Secretary of Defense and other DoD components rather than unnecessarily duplicating such facilities.

B. The heads of all DoD components and their staffs shall cooperate fully with the Assistant Secretary of Defense (Systems Analysis) and his staff in a continuous effort to achieve efficient administration of the Department of Defense and to carry out effectively, the direction, authority, and control of the Secretary of Defense.

V AUTHORITIES

A. The Assistant Secretary of Defense (Systems Analysis) in the course of exercising full staff functions, is hereby delegated authority to:

1. Issue instructions and one-time directive-type memoranda, in writing, appropriate to carrying out policies approved by the Secretary of Defense for his assigned responsibilities in accordance with DoD Directive 5025.1. Instructions to the military departments will be issued through the Secretaries of those departments or their designees.
2. Obtain such information, advice, and assistance from DoD components as he deems necessary.
3. Communicate directly with heads of DoD components including the Secretaries of the military departments, the Joint Chiefs of Staff and the Directors of the Defense Agencies.
4. Establish arrangements for DoD participation in those non-defense governmental programs for which he has been assigned primary staff cognizance.
5. Communicate directly with all governmental agencies participating with DoD in those non-defense governmental programs for which he has been assigned primary staff cognizance.

B. Other authorities and functions heretofore specifically delegated by the Secretary of Defense to various OSD elements which are hereby specifically delegated to the Assistant Secretary of Defense (Systems Analysis), will be referenced in an enclosure to this directive.

VI EFFECTIVE DATE

This directive is effective upon publication. Whenever the Assistant Secretary of Defense (Systems Analysis) assumes responsibility for a function assigned him under the terms of this directive, all DoD components will review their existing directive, instructions, and other issuances for conformity. Two copies of all publications issued in implementation shall be forwarded to the Assistant Secretary of Defense (Administration) for record purposes.

Cyrus Vance
Deputy Secretary of Defense

Enclosure - 1
Add'l Del/Auths.

Sept 17, 65
5141.1 (Encl 1)

Enclosure 1

References to Other Authorities Specifically Delegated
by the Secretary of Defense to the Assistant Secretary
of Defense (Systems Analysis) in Other Directives

No other authorities have been specifically delegated by the Secretary of Defense to the ASD(SA) as of the date of this directive. Any future specific delegations will be referenced in an enclosure to this directive.

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CSM 67-64

Effective until 15 February 1968 unless sooner rescinded or superseded.

UNITED STATES ARMY
The Chief of Staff

CS 520 (16 Feb 1967)

16 February 1967

MEMORANDUM FOR: HEADS OF ARMY STAFF AGENCIES

SUBJECT: Reorganization of the Office, Chief of Staff

1. Background

a. The Secretary of Defense, upon taking office in 1961, initiated a broad investigation and analysis of Department of Defense activities aimed at improving management and the utilization of resources. This effort has continued wherever management weaknesses have manifested themselves.

b. The Department of the Army Board of Inquiry into Logistics Systems has, over the past 18 months, probed deeply into its area of investigation and has proposed a wide range of problem solutions, long and short range, to improve the Army's logistics posture and make better use of resources provided to the logistics system. This analysis received study priority, as Project 80's implementation in 1962 completely revamped the Army's logistics apparatus. There was a need for a thorough analysis of Project 80's impact, as well as of the logistical procedures and controls which underwent drastic change as an inevitable consequence of Project 80.

2. Objectives. This memorandum has two objectives:

a. To expand the method of approach employed by the Logistics Board of Inquiry to cover the remaining range of Army resources at all levels: personnel, forces, research and development, and funds. As all of these resource systems relate to each other, they must be embraced under one all-encompassing analysis effort. Analysis in these functional areas will not be sequential, but will be undertaken as a part of a total package with due regard to the approved recommendations of the Logistics Board of Inquiry.

b. To centrally manage and control the three systems which have a major impact on all functional areas: Management Information Systems, Weapon Systems Analysis, and Force Planning Analysis. The development of these systems must receive priority effort and they must

SUBJECT: Reorganization of the Office, Chief of Staff

be placed in a keystone position under the umbrella of the total analysis effort. The Management Information Systems prescribe the approach to measurement and analysis of requirements and availability of resources in relation to plan or program and provide for massive data reduction and analysis in order to surface, at the earliest possible time, potential problem areas for management attention. Weapon Systems Analysis measures alternative solutions to the mix of personnel, forces, logistical support, and funds. Force Planning Analysis compares alternative forces and their costs against mission capabilities.

3. Goal. The centrally managed system envisaged is needed to better orient our staff operations to attain and maintain that degree of Army readiness required to meet the security interests of the United States. The objectives listed in paragraph 2 are designed to assist the Army in achieving its ultimate objective to field and support fully at any time any reasonable required mix of forces, fully ready, with adequate sustaining power. To achieve these objectives, a management system that is auditable, economical, and responsive to change is required. The results of this directive when carried out should, in the course of not more than two years, provide a modern, updated, integrated Army resource planning and management system utilizing fully modern and scientific advances in resource control and operating with full regard to costs and related effectiveness.

4. Conceptual Approach

a. The Army has at its disposal a formidable array of talent and expertise. However, their efforts are fragmented, are autonomous in many instances, and must be integrated under central direction and control to capitalize on their full capabilities.

b. Under the supervision of the Deputy Chiefs of Staff, considerable work is now underway to improve and modernize their areas of responsibility. Under the pressure of day-to-day events during this period of stress, this effort varies in intensity, thoroughness, and overall cohesiveness.

c. Under central direction and control and separated from day-to-day operational responsibility, task forces of experts, aided as appropriate by contract specialists, can probe deeply to search out root causes and effects which are frequently difficult to trace and devious in impact without interference with current operations and activities.

d. The first step is to survey the entire spectrum of Army activity with the assistance of management consultants. A program of investigation will then be specifically aimed at major problem areas.

SUBJECT: Reorganization of the Office, Chief of Staff

a. These problem areas will then be addressed by ad hoc teams, aided by contractor assistance as appropriate. All levels of organization will contribute expert personnel for the ad hoc teams to provide balance and problem understanding.

b. As investigations progress (and work will be in process in many areas concurrently), proposals for remedial action will be surfaced for immediate solution in those cases where there is little likelihood of impact on areas yet to be investigated.

c. Alternative solutions proposed by the ad hoc teams will then be analyzed and correlated, with the help of management consultants, with detailed recommendations submitted to the Chief of Staff.

d. Basic to all Army planning, programming, budgeting, and management are the three systems (the Army's Management Information Systems, Weapon Systems Analysis, and Force Planning Analysis) which must be tied together under central direction and control. Sufficient study has already been accomplished in these areas to delineate clearly the work to be performed. The overall study effort must be in consonance with and relate directly to these systems.

5. Establishment. There is hereby established an Office, Assistant Vice Chief of Staff in the Office, Chief of Staff.

6. Organization and Functions

a. The Assistant Vice Chief of Staff shall establish—

(1) Office, Director of Studies to supervise the longer range studies. For this purpose, he will utilize the resources of the Office, Director of Special Studies. He will analyze the tasks outlined in paragraph 4 above and will submit to the Chief of Staff within 30 days an outline plan of action and an estimate of additional resources required, including contractor assistance. As this work must be compatible with decisions stemming from the Logistics Board of Inquiry, the Director of Studies will maintain close coordination with the Army Staff agencies responsible for the implementation of those decisions. He will also continue to monitor those studies now underway in the Office, Director of Special Studies.

(2) Office, Director of Management Information Systems, Office, Director of Weapon Systems Analysis, and Office, Director of Force Planning Analysis. Functions of the Directors are specified at Inclosure 1. Upon establishment of these Directorates, the Special Assistant for Army Information and Data Systems and the Director of Force Planning and

SUBJECT: Reorganization of the Office, Chief of Staff

Analysis Office will be inactivated and their resources made available to the Assistant Vice Chief of Staff. The Assistant Vice Chief of Staff will submit to the Chief of Staff within 15 days his requirements for additional resources necessary to carry out the concept of operations for these Directorates outlined at Inclosure 2. Weapons categories are listed at Inclosure 5.

b. AIDSCOM, as a class II activity, will be transferred to the Assistant Vice Chief of Staff. Its primary function will be to provide management information for the Secretary of the Army and Chief of Staff, as directed by the Director, Management Information Systems. It will provide ADP service for the Force Planning and Cost Model outlined at Inclosure 2 and for Force Accounting System and NAADS.

c. An organization chart for the Assistant Vice Chief of Staff, to include tentative resource allocations, is at Inclosure 4.

7. Responsibilities. With respect to functions to be performed by the Army General Staff, the following actions will be taken:

a. DCSLOG and DCSPER, in order to avoid duplication and provide an interface with the Director of Weapon Systems Analysis, will provide for interfaces in the weapons categories listed at Inclosure 3.

b. COA will—

(1) Transfer to the Assistant Vice Chief of Staff cost analysts to construct the cost model and to assist in weapon systems analysis and force planning analysis.

(2) With resources to be made available by AIDSCOM, will establish an ADP capability to relieve AIDSCOM of all functions it now performs, less those specified in paragraph 6b above.

(3) Assume responsibility as the primary Army Staff contact point with the Assistant Secretary of the Army (Financial Management) in the capacity as Army Senior Policy Official for automatic data processing.

(4) Control the operating functions of the Computer Systems Directorate currently under AIDSCOM. (The Director, Management Information Systems will provide guidance to COA to insure the integration of hardware and software systems as related to management information needs.)

SUBJECT: Reorganization of the Office, Chief of Staff

c. This directive does not change in any way the existing channels of communication between the Army Staff and the field commands.

+ Incl
as

DISTRIBUTION:

A

Suspense:

3 March 1967 — Request additional resources required.
18 March 1967 — Submit outline plan of action.

Harold K. Johnson

HAROLD K. JOHNSON
General, United States Army
Chief of Staff

Functions of the Assistant Vice Chief of Staff

1. Responsible for an Army-wide study effort for the Chief of Staff aimed at improving performance and effectiveness in all functional areas, with due regard for economy of resources.
2. Responsible for developing and integrating the DA Management Information System to permit commanders at all levels to identify major problem areas at the earliest possible time, and evaluate program alternatives.
3. Responsible for developing, prescribing guidance, and monitoring force planning/costing models and systems designed to assess cost/effectiveness and force alternatives or resource changes.
4. Evaluates force structure alternatives and the resulting integrated resource implications for manpower, materiel and funds.
5. Responsible for the establishment of thresholds below the level of the Secretary of the Army for the approval of authorization documents.
6. Responsible for developing guidance and processing, with recommendations, DA positions through the Chief of Staff to the Secretary of the Army on force-oriented issues and on Draft Presidential Memoranda that directly involve DA resources.
7. Responsible for prescribing guidance and monitoring analyses which identify weapon systems alternatives, the resources required to implement those alternatives, and actions required to accomplish the preferred alternatives.
8. Acts as a central point of contact for information concerning management information systems, weapon system analysis and force planning required by outside agencies and maintains close liaison with appropriate staff elements of OSD and the Army Secretariat.
9. Responsible for developing and prescribing the guidance for and integration of Army actions in phase with the timetable of the Planning, Programming, and Budgeting Cycle.
10. Responsible for keeping the Secretary of the Army and the Chief of Staff directly informed with respect to matters within his functional area of responsibility.

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Incl 1

Functions of the Director, Management Information Systems

1. Develops, designs and controls the DA management information system. Determines in conjunction with the Director of FPA, the elements of information required by the Secretary of the Army and Chief of Staff for effective management control of DA requirements and resources and supervises the design and monitors these DA data collection and analytical management systems.
2. Provides technical experts to staff agencies in the areas of management information and control systems design, data reduction, verification and analysis techniques and management display concepts.
3. Develops and monitors overall plans, policies, objectives and programs which insure the development of functional DA information and data systems that are cohesive, integrated, non-duplicative and represent maximum utilization of available resources.
4. Develops policies and procedures for standardizing information elements and codes to permit the integration of manpower, materiel and financial data into a cohesive information system for requirements and resource analysis.
5. Monitors and assists in coordinating research and development projects in the automatic data processing and management information and science fields.
6. Reviews and evaluates data automation requirements, including systems development activities. Chairs the Data Automation Panel.
7. Provides guidance to COA to insure the integration of ADP hardware and software systems as related to management information needs.

Incl 1 to Incl 1

Functions of the Director, Force Planning Analysis

1. Responsible for developing, providing guidance, and monitoring force planning/cost models and systems utilized to assess rapidly the cost/effectiveness and possible trade-offs and/or alternatives to proposed force concepts or changes.
2. Plans and conducts studies to apply systems analysis, gaming and simulation techniques, cost/effectiveness and other methodologies to the analysis of force structure and associated resource implications and balances.
3. Designs and monitors systems and automated models which are capable of developing alternative force analyses to variable inputs of scenarios, military responses, force compositions, deployments and other elements.
4. Interprets OSD guidance on force structure and prescribes boundaries within which the Army force structure will be prepared.
5. Reviews and analyzes DA authorization documents within thresholds to be prescribed.
6. In conjunction with the Director of Management Information Systems, prescribes the design and monitors the DA Management Information System, including the FAS, NAADS, and the asset information systems.
7. Responsible for developing guidance for the Army Staff and reviews recommended DA positions for presentation to the Secretary of the Army through the Chief of Staff on force-oriented issues and on Draft Presidential Memoranda that involve DA resources.

Functions of the Director, Weapon Systems Analysis

1. Responsible for prescribing guidance and monitoring analyses which identify weapon systems alternatives, the resources required to carry out those alternatives, and actions required to achieve the preferred alternatives.
2. Advises the Assistant Vice Chief of Staff on matters of weapon systems programming and reprogramming.
3. Responsible for developing guidance and processing recommendations on Draft Presidential Memoranda and Program Change Requests that are weapon system oriented.

Incl 3 to Incl 1

Director of Management Information Systems Concept of Operations

1. The basic mission of the Director of Management Information Systems is to coordinate, guide and control the development of DA-wide information and data systems to insure the timely availability to management of meaningful information (as contrasted to numerical data). A major element of this mission is the development and dissemination of techniques, concepts and displays for massive data reduction and analysis in order to surface problem areas early for necessary management attention.

2. The concept for the development and design of a DA Management Information and Control System is as follows:

a. For each functional area (ODCSLOC, ODCSPE, OGRD, OCA, ORC, ODCSOPC and OACSFOR) integrated minimum essential elements of information will be defined (in coordination with these agencies) and guidance issued for the development and maintenance of data banks in each of the functional areas. It is the intent that each functional manager establish and maintain his own "subsystem" data bank in contrast to one massive system. Only that summary information which has been thoroughly analyzed and defined by each functional director will be integrated for Chief of Staff level analysis.

b. Audit trails for changes in each "subsystem" data bank will be built into the system, together with means of assuring the validity of the data.

c. It is the ultimate goal to develop a completely automated data system; however, semi-automated and/or manual systems will be utilized as required in order to obtain the maximum capabilities at the earliest time.

d. An objective is the reduction of workload and elimination of considerable duplication. Every effort will be made to utilize or refine existing or available data since we have neither the time nor resources to create new reporting and information systems. Only minimum essential data will be placed in the data banks and those reports found non-productive will be eliminated.

3. A large scale and independent Research and Development effort will be initiated, assisted primarily by contractor personnel, for the purpose of developing DA knowledge and expertise in the areas of management information and control systems design, data reduction, verification and analysis techniques and management display concepts. The objective here is to develop and disseminate, throughout the Army, capabilities that will permit the maximum utilization and exploitation of ADP and information systems, for the benefit of management and not as mere "bookkeeping devices."



Weapon Systems Analysis Directorate Concept of Operations

1. The purpose of the Weapon Systems Analysis Directorate is to obtain answers to questions such as the following:
 - a. Which weapon system or weapon systems mix can best meet a given threat or set of threat scenario?
 - b. At what point in time is the introduction of a new system justified?
 - c. At what point in time can the system currently operational be justifiably replaced?
... What are the key aspects of performance and/or characteristics that particularly justify its existence?

2. In the course of obtaining answers to these and related questions, the Weapon Systems Analysis Directorate will make maximum utilization of existing capabilities. It will prescribe the nature of the analysis required, the key variables to be considered, and the level of detail expected in the studies. The Weapon Systems Analysis Directorate will aid the organizations performing the studies in the development of the necessary analytic and simulation models and will closely monitor the progress of studies to assure answers that are responsive to the needs of the Department of the Army and OSD.

3. The nature of the system analysis work requires the formation of a small number of analyst groups, each oriented toward an Army mission area. An illustration of typical mission groupings are the following:

- a. Air defense systems
- b. Land combat vehicles
- c. Tactical and support vehicles
- d. Infantry weapon systems
- e. Aircraft systems
- f. Communications

Data input from the DA staff to support such mission-oriented analysis will be provided as indicated in Inclosure 3.

4. A cost analysis group will be formed as a part of the Weapon Systems Analysis Directorate. However, it will be a goal to acquire and develop weapon system analysts that have a full understanding of both cost and effectiveness.

Director of Force Planning Analysis Concept of Operations

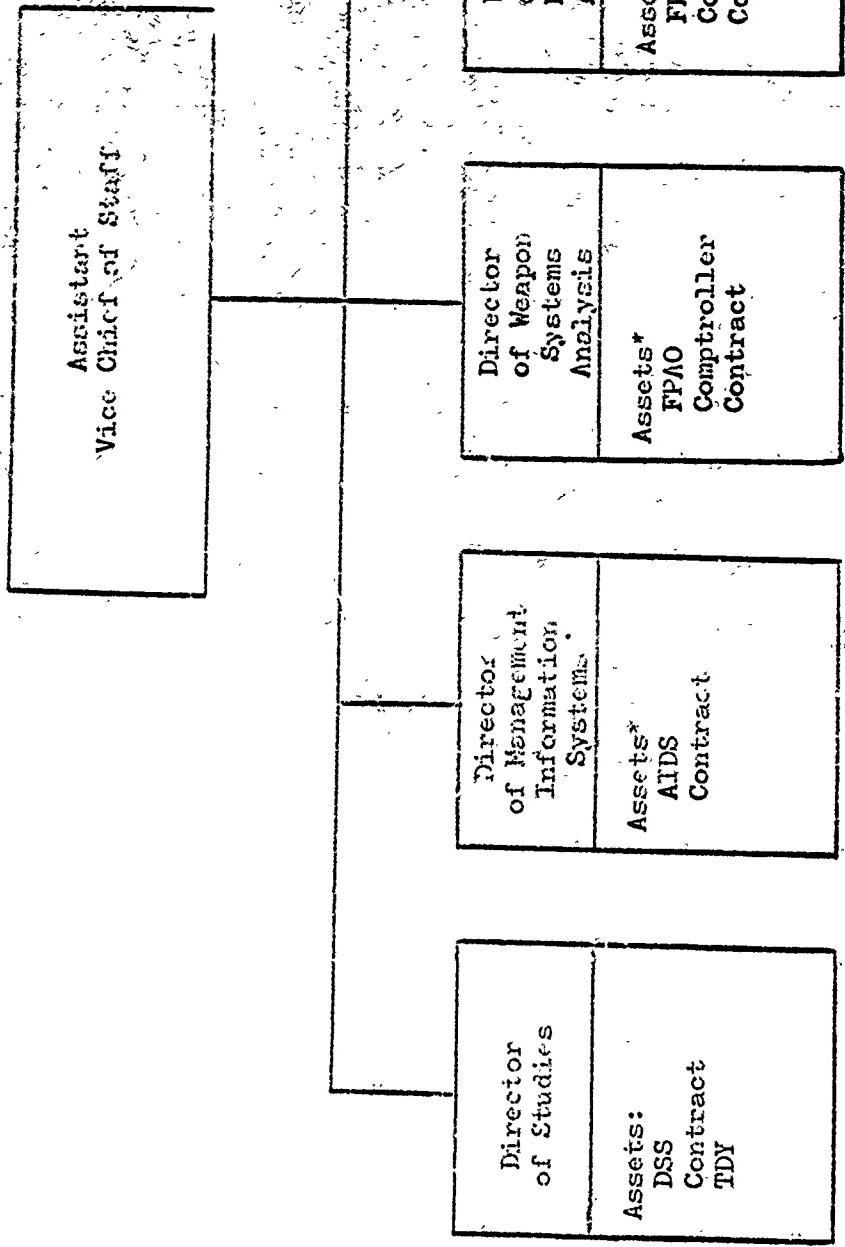
1. The force planning concept is based on two major functions:
 - a. The translation of OSD decisions into specific program direction in terms of forces and resources.
 - b. The use of automated analytical models for the rapid assessment of alternative force structures and their associated costs.
2. The translation techniques and the analytical models will be developed by joint in-house-contractor effort. While in the early stages, most of the analytical skills will be provided by operations research contractors; staff personnel will be intimately associated with each contract to insure an Army capability to control and further develop the analytical tools.
3. Detailed translation procedures will be developed to provide a consistent method for identifying the full force and resource implication of OSD decisions.
4. A family of analytical models will be developed to provide the means for assessment of alternative force structures and their associated costs. Simple models capable of rapid response will handle aggregative forces and resources and provide relative comparisons of effectiveness and resource implication. The more significant alternatives will then be analyzed through the use of more detailed models that will permit specification and insure balances of support units, major items of equipment, and significant personnel categories.
5. Systems and techniques for the translation of force programs into detailed force structure for inclusion in the FAS will be developed.

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WEAPONS CATEGORIES

1. A/C, avionics and armaments.
2. A D systems and missiles
(NIKE
(CHAPARRAL
(RIDEYE
(40-mm
(SAM-D
(HAWK
(PERSHING
(SERGEANT
(LANCE
(TOW
3. Infantry weapon systems
(Rifles and pistols
(MG
(Mortars (unarmored)
(Recoilless rifles
(grenade launcher
4. Tracked combat vehicles & artillery
(Tanks
(APC's, all types
(Recovery vehicles
(Bridge launchers
(Combat engineer vehicles
(All artillery
5. Communications and electronics.
6. Tactical and support vehicles.
7. Support equipment
8. Ammo, broken out for ready application to categories 1,2,3,4
(above), nuclear, chemical, and general purpose.

Office, Assistant Vice Chief of Staff



*Additional requirements to be determined.

-- Class III activity

PRIMAR PROJECTS

<u>PROJECT NUMBER</u>	<u>PROJECT TITLE</u>	<u>OBJECTIVES OF STUDY</u>	<u>CHAIRING AGENCY</u>
✓ 1-1	INTEGRATED READINESS MEASUREMENT SYSTEM	Develop an integrated readiness measurement system which will enable DA to determine available resources, display current and projected readiness, and to assess the impact of resource allocation changes on the overall effectiveness of the Army.	DCSOPS
✓ 2-1	STRENGTHENING THE ARMY OBJECTIVES AND RESOURCE PLANNING SYSTEM	Update the Army force objectives and resource requirements planning system to improve its ability to address major issues, develop and present accurate, persuasive recommendations on objective forces and required resources to support the forces, and obtain timely OSD guidance and decisions favorable to the Army.	DCSOPS
✓ 2-2	STRENGTHENING DIRECTION AND COORDINATION OF THE ARMY REQUIREMENTS STUDY EFFORT	Develop a planning and control system for Army requirements studies.	DCSOPS
✓ 2-4	STRENGTHENING PLANNING TOOLS AND TECHNIQUES	Determine the requirements for improved tools and techniques to provide analytical support for all the areas of Army force objective and resource requirements planning.	FPA

<u>PROJECT NUMBER</u>	<u>PROJECT TITLE</u>	<u>OBJECTIVES OF STUDY</u>	<u>CHAIRING AGENCY</u>
✓ 3-1	DEFINING, INTEGRATING, AND DIRECTING A RESPONSIVE PROGRAM, BUDGETING, AND DISTRIBUTION SYSTEM	Design the system for top management direction of the program, budgeting, and distribution systems.	COA
✓ 3-2	IMPROVING FORCE PROGRAMMING PROCEDURES	Analyze the force programming system and recommend changes which will insure that the system provides for a balanced force program containing unit readiness objectives, timely programming direction to the subordinate commands, and specifications for force requirements which affect resource programs and budgets.	ACSFOR
✓ 3-3	DEVELOPMENT AND USE OF THE FAS AND TAADS	Develop a plan to control the development and extend the uses of the Force Accounting System (FAS) and The Army Authorization Document System (TAADS)	ACSFOR
✓ 3-5	DEVELOPING A READINESS BASED PERSONNEL DISTRIBUTION PROGRAM	Develop a more complete personnel priority model and the procedures for using it.	DCSPER
✓ 3-6	STRENGTHENING TRAINING PROGRAMMING PROCEDURES	Develop a readiness based training programming and reprogramming system which will provide the number and quality of trained personnel required to best satisfy the readiness goals of the U. S. Army.	DCSPER

<u>PROJECT NUMBER</u>	<u>PROJECT TITLE</u>	<u>OBJECTIVES OF STUDY</u>	<u>CHAIRING AGENCY</u>
✓ 3-7	DEVELOPING A READINESS BASED EQUIPMENT DISTRIBUTION PROGRAM AND STRENGTHENING EQUIPMENT ASSET REPORTING SYSTEM	To improve a computer model which will project equipment distribution based on readiness. To investigate and reduce redundancy of asset reporting systems leading to a more responsive and reliable asset reporting system.	DCSLOG
✓ 3-8	DEVELOPING A READINESS BASED DEPOT MAINTENANCE PROGRAM	To develop a maintenance priority system and an associated automated system which will produce a readiness-based depot maintenance system.	DCSLOG
✓ 3-9	IMPROVING GUIDANCE TO SUBORDINATE COMMANDS	Define mission and resource guidance required by subordinate commanders and develop the necessary procedures at Army Staff level to insure such guidance is adequate, timely, balanced, and consistent.	FPA
4-2	STRENGTHENING PERSONNEL DATA REPORTING AND INFORMATION SYSTEM	Develop a plan to control the continuation and modification of current related efforts to improve procedures for controlling personnel data requirements and the personnel data asset reporting system.	DCSPER
✓ 4-4	STREAMLINING EQUIPMENT PROGRAM BUDGETING PROCEDURES	Determine whether current improvement efforts or a new approach can best satisfy the requirements for producing an accurate and timely PEMA budget.	DCSLOG

<u>PROJECT NUMBER</u>	<u>PROJECT TITLE</u>	<u>OBJECTIVES OF STUDY</u>	<u>CHAIRING AGENCY</u>
✓ 4-5	EXTENDING THE USE OF STAFF DEVELOPED BUDGETS	Determine if staff preparation of budget estimates should be continued and extended to preparation of apportionment requests, and if so, how the extension is to be accomplished.	COA
✓ 4-6	INCREASING THE EFFECTIVENESS OF PROGRAMMING, BUDGETING, ACCOUNTING, AND REPORTING SYSTEMS	Reduce to the minimum the detail required in budget and financial submission and reports.	COA
✓ 5-1	DEVELOPING TECHNIQUES FOR ASSESSING THE IMPACT OF PERSONNEL POLICIES ON DEPLOYABILITY	Develop a mechanism for assessing the impact of proposed personnel policy changes by quantifying the impact of changes and determining the effect on personnel deployability and force readiness.	DCSPER
✓ 6-0	IMPROVING SECONDARY ITEM SUPPLY GOALS, POLICIES, AND REQUIREMENTS PROGRAMMING	Develop improvements, procedures, and techniques that will provide accurate and reliable line item requirement forecasts to be used in support of the AMC Division Stock Fund and PEMA Secondary Item Budget	DCSLOG
✓ 6-2	STRENGTHENING CONTROL AND DISCIPLINE OF THE MOBILIZATION RESERVE SYSTEM	Develop procedures to strengthen discipline and control over the designation of supply items for inclusion in mobilization reserve stocks and the computation of mobilization reserve requirements.	DCSLOG

<u>PROJECT NUMBER</u>	<u>PROJECT TITLE</u>	<u>OBJECTIVES OF STUDY</u>	<u>CHAIRING AGENCY</u>
✓ 6-4	IMPROVING NICP PROGRAMMING DATA	Develop procedures with clearly defined authority, responsibilities, and controls to insure that all important programming data needed in supply control studies are provided to the NICPs in a timely, reliable manner.	DCSLOG

APPENDIX IV

DEPARTMENT OF DEFENSE INSTRUCTION

NUMBER 7045.7

The Planning, Programming, and Budgeting System

94a



NUMBER 7045.7
DATE October 29, 1969

ASD(C)

Department of Defense Instruction

SUBJECT The Planning, Programming, and Budgeting System

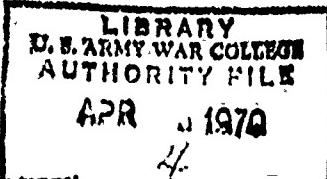
- Refs: (a) DOD Directive 7000.1, "Resource Management Systems of the Department of Defense," August 22, 1966
(b) Sec Def Multiaddressed Memorandum, "Interim Operating Procedure (IOP) Number 1," June 21, 1969 (hereby cancelled)
(c) DOD Instruction 7110.1, "Guidance for the Preparation of Budget Estimates, Budget Execution Programs and Appropriation Requests and Related Support Materials," August 23, 1968, and Manual (7110.1-M)
(d) DOD Instruction 7060.2, "International Balance of Payments Program-Accounting, Reporting, Estimating and Establishing Targets," January 16, 1969
(e) DOD Instruction 7041.3, "Economic Analysis of Proposed DoD Investments," February 26, 1969
(f) DOD Instruction 7045.7, "Review and Approval of Changes to the Five Year Defense Program," December 22, 1967 (hereby cancelled)
(g) DOD Instruction 7045.8, "Updating the Five Year Defense Program (FYDP)," May 23, 1968
(h) DOD Instruction 7045.5, "Functional Reviews," August 31, 1965 (hereby cancelled)
(i) DOD Instruction 7040.5, "Definition of Expenses and Investment Costs," September 1, 1966
(j) DOD Directive 3200._____, "Development Concept Papers (DCP) System" (to be published)
(k) DOD Instruction 7250.10, "Implementation of Reprogramming of Appropriated Funds," March 5, 1963

I. PURPOSE

This Instruction establishes procedural guidance for: (a) processing changes to the approved resources of the Five Year Defense Program (FYDP), (b) submission, analysis, review, and approval of new and revised Department of Defense programs and budgets, and (c) maintenance and updating of the FYDP structure. It authorizes the publication, maintenance, and review of the FYDP Codes and Definitions Handbook (7045.7-H) in support of reference (a).

II. APPLICABILITY AND SCOPE

- A. The provisions of this Instruction apply to all of the Department of Defense.



- B. The scope of the Five Year Defense Program will include force, manpower and cost data and information covering the prior, current and succeeding fiscal years. The force structure will include data and information for the prior fiscal years, current fiscal year, budget year, and seven succeeding fiscal years. Cost and manpower data will be included for the prior fiscal years, current fiscal year, budget year, and the four succeeding fiscal years.

III. DEFINITIONS

- A. Approved Program - Resources (Forces, Manpower, Obligational Authority and Materiel) for individual program elements reflected in the FYDP, as modified by Secretary of Defense decisions.
- B. Budget Costs - Costing used in budget submissions as distinguished from costing used in programming documents, hereinafter referred to as programming costs. Budget costs represent the specific TOA requirements for funds in a particular fiscal period and generally represent a refinement of programming costs.
- C. Budget Year - That fiscal year arrived at by adding one to the current fiscal year. In fiscal year 1970, the budget year is fiscal year 1971.
- D. Program/Budget Review Schedule - An annual Secretary of Defense memorandum issued to announce the schedule of significant events impacting on the DoD decision-making cycle.
- E. Cost Category - One of three types of costs into which the total cost of a program element is divided: (1) research and development, (2) investment, and (3) operations. (See DoDI 7040.5, reference (i).)
- F. Development Concept Paper (DCP) - A document prepared by the Director of Defense Research and Engineering (DDR&E) and coordinated with key DoD officials providing a summary management document for the Secretary of Defense. DCPs reflect the Secretary of Defense decisions on important development and engineering modification programs. The document serves as a source of primary information and rationale and for updating the FYDP. (See reference (j).)
- G. Fiscal Guidance - Annual guidance issued by the Secretary of Defense which provides the fiscal constraints that must be observed by the JCS, the Military Departments, and Defense Agencies, in the formulation of force structures and Five Year Defense Programs, and by the Secretary of Defense staff in reviewing proposed programs.

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- H. Five Year Defense Program (FYDP) - The official program which summarizes the Secretary of Defense approved plans and programs for the Department of Defense. The FYDP is published at least once annually. The FYDP is also represented by a computer data base which is updated regularly to reflect decisions.
- I. Joint Force Memorandum (JFM) - A document prepared annually by the JCS and submitted to the Secretary of Defense which provides recommendations on the joint force program within the fiscal guidance issued by the Secretary of Defense.
- J. Joint Research and Development Objective Document (JRDOD) - A document prepared annually which provides the advice of the JCS to the Secretary of Defense concerning R&D objectives necessary to carry out the strategy and force recommendations in the JSOP.
- K. Joint Strategic Objectives Plan (JSOP) - A document prepared annually which provides the advice of the Joint Chiefs of Staff to the President and the Secretary of Defense on the military strategy and force objectives for attaining the national security objective of the United States. In addition to recommendations on major forces, it includes the rationale supporting the forces and assessment of risks associated therewith, costs and manpower estimates, and other supporting data. The JSOP is published in three volumes: I - Strategy, II - Analysis and Force Tabulations, and III - Free World Forces.
- L. Program - A combination of program elements designed to express the accomplishment of a definite objective or plan which is specified as to the time-phasing of what is to be done and the means proposed for its accomplishment. Programs are aggregations of program elements, and, in turn, aggregate to the total FYDP.
- M. Program Change Decision (PCD) - A Secretary of Defense decision, in prescribed format, authorizing changes to the Five Year Defense Program. (See Enclosure 3.) (Also see Program/Budget Decision (PBD).)
- N. Program Change Request (PCR) - Proposal in prescribed format for out-of-cycle changes to the approved data in the Five Year Defense Program. (See Enclosure 2.)
- O. Program Decision Memorandum (PDM) - A document which provides decisions of the Secretary of Defense on POMs and the JFM.
- P. Program Element - A description of a mission by the identification of the organizational entities and resources needed to perform the assigned mission. Resources consist of forces, manpower, material quantities, and costs, as applicable. The program element is the basic building block of the FYDP.

- Q. Planning/Programming/Budgeting System (PPBS) - An integrated system for the establishment, maintenance, and revision of the FYDP and the DoD budget.
- R. Program/Budget Decision (PBD) - A Secretary of Defense decision in prescribed format authorizing changes to a submitted budget estimate and the FYDP. (See Enclosure 3.)
- S. Programming Cost - Cost data for making program decisions. Programming costs are based on sets of factors which will provide consistent cost data under the same or similar circumstances, and which are directly related to the explicit elements of the program decision.
- T. Program Objective Memorandum (POM) - A memorandum in prescribed format submitted to the Secretary of Defense by the Secretary of a Military Department or the Director of a Defense Agency which recommends the total resource requirements within the parameters of the published Secretary of Defense fiscal guidance. (See Enclosure 1.)
- U. Program Year - A fiscal year in the Five Year Defense Program that ends not earlier than the second year beyond the current calendar year. Thus, during calendar year 1969, the first program year is FY 1971.
- V. Total Obligational Authority (TOA) - The total financial requirements of the Five Year Defense Program or any component thereof required to support the approved program of a given fiscal year.

IV. CANCELLATIONS

References (b), (f), and (h), are hereby cancelled.

V. PROGRAM/BUDGET REVIEW SCHEDULE

The Secretary of Defense will publish an annual memorandum providing a schedule of significant events for the current year. This memorandum will be issued prior to the submission of JSOP, Volume I, and will be revised as necessary. It will identify:

- A. The base program from which all proposed changes will be made by publication of "as of" date.
- B. The schedule for the submission of the Joint Strategic Objectives Plan (JSOP), the Joint Research and Development Objectives Document (JRDOD), and the Joint Force Memorandum (JFM), by the Joint Chiefs of Staff.
- C. Specific dates for the submission of the Program Objectives Memoranda.

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- D. Schedules for the issuance of Secretary of Defense Strategic Guidance, Fiscal Guidance, Logistic Guidance, and Program Decision Memoranda.
- E. Dates for the submission of the DoD budget estimates.
- F. Identification of special reviews and studies to be conducted during the calendar cycle and identification of the primary action office.
- G. A date for the inclusion of an additional year to the FYDP.
- H. Date for the Major Budget Issue meetings between the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, and the Military Department Secretaries. Date for similar meeting to discuss Major Force Issues will be announced by the Secretary of Defense as necessary by separate memorandum.
- I. Other items having an impact on the decision-making cycle.

VI. STRATEGIC OBJECTIVES

- A. The Joint Chiefs of Staff will prepare Volume I - Strategy, of the JSOP to be submitted to the Secretary of Defense. Volume I will provide the statement by the JCS of the national security objectives, based on decisions of the President, and the military objectives derived therefrom. It will include military strategic concepts and objectives on a world-wide and regional basis.
- B. The Secretary of Defense will review Volume I, JSOP, and will then issue appropriate guidance on strategic concepts for comment by the JCS. This guidance memorandum may update and/or enlarge upon the strategy in Volume I based on changes in national security objectives or commitments as provided by the President. When a change in national security objectives, commitments, or in strategy is indicated, the variation in risks, if any, will also be addressed. After review and consideration of the JCS comments, the Secretary of Defense will reissue the guidance memorandum which, along with Volume I, will serve as a planning document in the formulation of Volumes II and III, JSOP, the JFM, and the Program Objective Memoranda.

VII. FISCAL GUIDANCE

- A. Annually, the Secretary of Defense will issue tentative Five Year Fiscal Guidance to define the total financial constraints within which the DoD force structure will be developed and reviewed. The fiscal guidance will be by major mission and support category for each Military Department and Defense Agency. The first fiscal guidance will be issued for comment by the JCS, Military

Departments and Defense Agencies, following the issuance of the final Strategic Guidance Memorandum. The Secretary of Defense will specify in the Fiscal Guidance the nature of the fiscal planning constraints, and the assumptions used in its preparation. After review of JSOP, Volume II, JRDOD, and comments on the general fiscal guidance, the Secretary of Defense will issue revised fiscal guidance. The Secretaries of the Military Departments will participate in the development of the revised fiscal guidance. In developing the revised fiscal guidance, consideration will also be given to the current budget, the FYDP, program deferrals, inflationary trends, gross national product estimates, and other economic considerations.

- B. For planning purposes, the totals of the fiscal guidance for each program year and each Military Department/Defense Agency will be considered firm. To insure increased flexibility in developing balanced programs, reallocations of funds are permitted between major mission and support categories unless specifically stated otherwise in the Secretary of Defense Fiscal Guidance Memorandum. Fiscal guidance will be used by the JCS in the formulation of the JFM and by each Military Department and Defense Agency in the formulation of their PCMs.
- C. Fiscal guidance will normally identify specific major mission and support categories. On a selected basis additional program aggregations may be identified for separate visibility. These will be specifically identified in the Fiscal Guidance Memorandum. Representative examples of the major mission and support categories are: (1) Strategic Offensive and Defensive Forces, (2) Land Forces, (3) Tactical Air Forces, (4) R&D, and (5) Training.

VIII. PROGRAM OBJECTIVES

- A. Volume II - Analyses and Force Tabulations of the JSOP - will be published annually by the JCS with analysis, rationale, force tabulations, and program costs and associated manpower requirements as provided by the Services. Volume II will present the requirements and the recommendations for major forces for the mid-range period considered necessary to achieve the military objectives in support of the national security objective. It will be based on Volume I - Strategy - JSOP, and as may be modified by the guidance memorandum on strategic concepts issued by the Secretary of Defense. Also, Volume II will highlight major force issues which require decisions during the current year.
- B. Volume III - Free World Forces of the JSOP - will be published annually by the JCS in the same time-frame as Volume II. Volume III will provide advice on military objectives and guidelines for Free World Forces required, militarily, for the attainment of U.S. national security and military objectives. The analyses and recommendations presented in Volume III will be based on the

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strategic appraisals and regional concepts in Volume I and the Strategic Guidance Memorandum, and are designed to provide the basis for a U. S. position on military assistance.

- C. In addition to Volume II, the Joint Chiefs of Staff will develop and submit annually to the Secretary of Defense the Joint Force Memorandum. The JFM will present the recommended force levels and support programs, similar in format to Volume II, all developed within the parameters of the fiscal guidance issued by the Secretary of Defense. The JFM will include program costs and associated manpower requirements as provided by the Military Services. The JFM should be analyzed in accordance with reference (e) prior to submission. A summary will be included of analyses and assessment of risks associated with the forces as measured against the strategy and military objectives in Volume I and the Strategic Guidance Memorandum. Also, the JFM will highlight major force issues which require decisions during the current year. It will compare costs of the recommended forces and the support programs with the approved FYDP program baseline as stated in the annual Program/Budget Review Schedule. The JFM should be considered by the Military Departments and Defense Agencies to assist in the preparation of their POMs.
- D. The Joint Chiefs of Staff will develop and submit annually the Joint Research and Development Objectives Document (JRDOD) to the Secretary of Defense. The JRDOD will provide R&D objectives responsive to the strategy and force recommendations in the JSOP as well as long-range and technological objectives for capabilities expected to be needed in the 10-20 year period. Indicators of relative military importance and appropriate rationale will be included to assist in developing the DoD R&D program and in the preparation of Development Concept Papers (DCPs).
- E. Annually, each Military Department and Defense Agency will prepare and submit to the Secretary of Defense a Program Objective Memorandum (POM). POMs will be based on the Strategic Guidance as stated in the JSOP, Volume I, as modified by Secretary of Defense Strategic Guidance Memorandum. POMs will express total program requirements and should be analyzed and evaluated where applicable in accordance with DoDI 7041.3 (reference (e)). POMs must provide force, manpower cost and materiel recommendations, and rationale for proposed changes from the approved FYDP base and the JFM, and the risk assessment and military advantages to be gained. Costs will be programming costs within the scope of fiscal guidance issued by the Secretary of Defense. Supporting information for POMs will be in program element terms except

that procurement for other than major weapons systems may be provided in form of procurement listings.

- F. POMs may be revised after submission when the originator believes that such a revision will result in a better balanced program. Recommended POM changes should be made only when the change may be completely processed to permit analysis with the originally submitted POM, that is, in advance of a Secretary of Defense decision on a POM. POM revisions will include an identification of equal cost trade-offs within annual Military Department/Defense Agency totals to preclude increases to the fiscal constraints. POM revisions will identify equal or greater effectiveness in addition to cost trade-offs.
- G. When changes cannot be processed in time to be included in a Secretary of Defense Program Decision Memorandum for a specific program, such changes will be processed to the Secretary of Defense using a PCR provided the change will increase military readiness significantly and is considered of such an urgent nature to require Secretary of Defense review out of cycle, or involve inter-Service functional transfers which create manpower authorization increases to end-year strengths. (See paragraph XII.B.2.)
- H. The Secretary of Defense will direct an annual staff review of Volumes II and III, JSOP, JRDOD, the JFM, and POMs. Based on the review, the Secretary will issue appropriate Program Decision Memoranda.
- I. The specific PIM issue dates will be announced by the Secretary of Defense in the revised annual Program/Budget Review Schedule memorandum. Each PIM and DCP will be supported by a "resource annex" which will provide a translation of resources to program elements in the FYDP. Decisions will be transmitted to the JCS, Military Departments and Defense Agencies as appropriate for analysis, the submission of comments, and updating of the FYDP.

IX. COMPONENT COMMENTS

- A. Within two weeks after receipt of each Program Decision Memorandum, the JCS, Military Departments and Defense Agencies, as appropriate, will submit comments to the Secretary of Defense. Comments should be basically narrative and will address each issue to insure that the views of the JCS, Service Secretaries, and Defense Agency Directors, are represented.
- B. Comments may be prepared in a manner prescribed by the submitting activity, but will present the extent of program impact that may be expected as a result of the decision. If a dissenting view is expressed, any additional or clarifying information or justification not stated in the POM should accompany the statement to allow a re-evaluation of the issue.

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- C. Comments submitted by the JCS will address the total DoD program balance as weighed against the Joint Force Memorandum. JCS would be expected to advise the Secretary of Defense with an assessment of the risks involved and inherent in the tentatively approved programs and provide an evaluation of any strategic implications resulting from the program if adopted.
- D. The Secretary of Defense will direct a staff review of all comments. Program Decision Memoranda will be modified by reissue of page changes to the original PDM to incorporate any new decision.

X. DECISION IMPLEMENTATION

- A. Secretary of Defense decision documents will provide the basis for the updating of the FYDP data file by the Military Departments and Defense Agencies. Military Departments and Defense Agencies will apply the approved forces, manpower and cost data to the FYDP data file, as stated by the decision, by program element. Decisions will be applied to the FYDP data base as outlined by paragraph VI.B of DoD Instruction 7045.8 (reference (g)), even though their comment to the Secretary of Defense may express a dissenting position.
- B. On an "as required" basis, the ASD(C) will issue a PCD which will direct FYDP updates to be submitted. PCD will include any special update and program structure changes necessary for the specific update. Military Departments and Defense Agencies will maintain their FYDP data files as prescribed by DoDI 7045.8 (reference (g)) to insure a rapid response to a specific update request.

XI. BUDGET ESTIMATES

- A. Annually, each Military Department and Defense Agency will submit its budget estimate to the Secretary of Defense in accordance with reference (c), DODI 7110.1 and 7110.1-M. These budget estimates will include the budget year and the two prior fiscal years in accordance with currently established procedures. Budget estimates will be submitted based on the approved program resulting from incorporating the effects of all decision documents received through a predetermined date to be announced by the annual Program/Budget Review Schedule memorandum. Specific detailed instructions for the submission of budget estimates will be separately prescribed for each year.
- B. The Secretary of Defense will direct a staff review of the budget estimates received from the Military Departments and Defense Agencies. Based on the review and analysis of budgets, the Secretary of Defense will publish a series of Program/Budget Decisions. Budget decisions will address specific budgetary

issues and be related to the appropriations and budget activity structure of the Department of Defense. PBDs will include the budget year and prior years as appropriate. The decision record of the PBD will also include an estimate of the impact of the PBD on the next program year.

- C. PBDs, including the decision record, will be transmitted to the Military Departments and Defense Agencies for insertion of the PBD and decision record into the FYDP. Reclama statements may be submitted to the Secretary of Defense but should be submitted only if the impact is considered to be sufficiently serious to warrant the personal reconsideration by the Secretary of Defense. Budgetary reclama statements must be concise, complete, and based on new facts or justification not previously submitted in order to provide a basis for a re-evaluation of the decision. The Secretary of Defense will direct a staff review of all budgetary reclama statements and will issue a specific decision for each reclama.
- D. In addition to the submission of reclama statements, Service Secretaries will identify major budget issues to the Secretary of Defense after completion of their review of the PBDs. Issues must be of sufficient priority in the opinion of a Service Secretary to warrant a personal Secretary of Defense and Service Secretary discussion. A Major Budget Issue meeting will be scheduled and announced in the Secretary of Defense Program/Budget Review Schedule memorandum. Decisions of the Secretary of Defense resulting from this meeting will be addressed in revisions to previously issued PBDs.

XII. APPROVED PROGRAM CHANGES

- A. The receipt of a PIM, DCP, PCD, PBD, DD Form 1415, or Secretary of Defense memorandum reflecting the decision of the Secretary of Defense will constitute a new approved program base when entered into the FYDP by the Military Departments and Defense Agencies. Changes to the approved base for the budget and program years will be made only by subsequent PIMs, PCDs, DCPs, or PBDs, or by Military Departments or Defense Agencies within the established thresholds of this Instruction. DCPs will be entered into the FYDP and data reviewed and approved by DDR&E. Data changes will be announced by DDR&E using PCDs or addressed in the R&D PIM.
- B. Subsequent to the receipt of a PIM and prior to the next Military Department or Defense Agency POM submission date, Secretaries of the Military Departments and Directors of Defense Agencies will be permitted to make changes to the FYDP without prior approval by the Secretary of Defense when such changes are confined within the following thresholds, and as further qualified by subparagraph C, below:

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1. Forces

Current Year - Only those changes within the approved TOA subject to the limitations imposed by DoDI 7250.10 (reference (k)).

Budget and Program Years - Any force change within or among elements within available inventory not requiring additional TOA or manpower. Forces will be identified as those forces approved by the current Secretary of Defense Program Decision Memorandum.

2. Manpower

Current Year - Only those changes within the total manpower end-year strengths. Includes the transfer of both military and civilian authorizations and drill pay among elements.

Budget and Program Years - Only those changes where the net effect will not increase the total military or civilian end-year strengths. Changes which are the result of inter-Service agreements for functional changes and authorizing manpower in excess of 100 military or 100 civilians for a gaining Military Department, or 25 military or 25 civilians for a gaining Defense Agency, OSD or JCS, will not be accomplished until a confirmation PCR has been submitted by the gaining activity, and the transfer is approved.

3. Costs

Current Year - Any change within the approved TOA subject to the limitations imposed by DoDI 7250.10 reprogramming actions.

Budget Year - During the period July through December changes may be made within the approved TOA by cost category unless such authority has been negated in the annual budget estimate submission instructions or by separate memorandum. During the period January through June, no changes will be made since the President's Budget will have been established and submitted.

Program Year - Except as outlined by specific R&D decision documents or negated by other OSD authority, changes may be made within the approved TOA by appropriation.

- C. FYDP changes for the budget and program years which are accomplished by the Secretaries of the Military Departments and Directors of Defense Agencies are permitted without explanation only when such changes for a program element remains below a cumulative total for a single fiscal year of ten million dollars or, in the case of

manpower, below 300 military or civilian authorizations. Military Departments and Defense Agencies are required to submit a memorandum to QASD(C) to accompany the FYDP update in which the change is recorded explaining the changes which have exceeded the cumulative TOA or manpower change thresholds since the last explanatory memorandum.

XIII. LIMITATIONS

Approval of programs will not constitute authority to either commit or obligate funds.

XIV. FYDP HANDBOOK

The FYDP handbook authorized by this Instruction will be revised quarterly and revisions distributed by ASD(C). The handbook is the official presentation of the DoD Program Structure and will contain approved codes and titles used in updating the FYDP data file.

XV. IMPLEMENTATION AND EFFECTIVE DATE

This Instruction is effective January 1, 1970. Three copies of each Military Department's and Defense Agency's implementing documents will be forwarded to ASD(C) within ninety days after the effective date.

R. E. Moat

Assistant Secretary of Defense
(Comptroller)

Enclosures - 3

1. Preparation and Processing of Program Objective Memorandum (POM)
2. Preparation and Processing of Program Change Request (PCR)
3. Preparation and Use of Program Change Decision (PCD) and Program/Budget Decision (PBD)

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INSTRUCTIONS FOR PREPARATION
AND PROCESSING
OF THE
PROGRAM OBJECTIVE MEMORANDUM
(POM)

A. General

1. Program Objective Memorandums (POMs) will be provided to the Secretary of Defense on an annual basis by each of the Secretaries of the Military Departments and the Directors of Defense Agencies. Submission dates will be announced in the Program/Budget Review Schedule issued by the Secretary of Defense.
2. POMs will be submitted in eight copies to the Director for Program and Financial Control, Office of the Assistant Secretary of Defense (Comptroller).
3. A single POM will be expected from each Military Department and Defense Agency separated for each of the major mission and support categories and special program aggregations identified in the Secretary of Defense Fiscal Guidance Memorandum.
4. POMs must represent a comprehensive and detailed expression of the total resource requirements associated with the total commitment of the submitting activity and will contain as a minimum, that amount of data and information prescribed for a PCR. (See Enclosure 2). POMs must be analyzed and evaluated where applicable in accordance with the guidance established by DoD Instruction 7041.3, "Economic Analysis of Proposed DoD Investments" (Reference (e)).
5. The organization of Military Departments and Defense Agencies individual POMs is left to the discretion of the submitting activity, provided the organization allows separation of the individual segments directed by the mission and support aggregations of the Secretary of Defense Fiscal Guidance Memorandum. For example, a POM must be a single input consisting of as many volumes or parts as there are Major Mission and Support Categories identified in the Fiscal Guidance which impact on the activities' total program. Computer products meeting or exceeding the data and information requirements of a PCR, are encouraged. Additionally each POM must meet the specifics outlined below.
6. POMs will be forwarded as total packages and are not acceptable in increments. POM due dates are not subject to negotiation due to the constraints of the calendar and the impact an extension would have on the remainder of the decision-making

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process. Military Departments and Defense Agencies should initiate the needed discipline in implementing procedures to insure on-time processing.

B. Processing

1. POMs will be forwarded to the Assistant Secretary of Defense (Comptroller) for the further processing within OSD for staff review and the establishment of control records. Primary Action Offices (PAOs) and Collateral Action Offices (CAOs) will be determined by the Office of the Assistant Secretary of Defense (Comptroller) to include Defense Agencies when a direct interest is apparent, i.e. Intelligence, Communications.
2. Once a POM has been forwarded to the Secretary of Defense for decision, the program is considered "locked," that is, no changes should be made pending the outcome of the decision by the Secretary of Defense. If, however, a Secretary of a Military Department or Director of a Defense Agency has reason to change the POM, it is permitted under the following conditions:
 - a. Change must be accomplished by the submission of page changes to the original POM or added inserts as appropriate.
 - b. Change must identify an equal monetary and effectiveness tradeoff to be removed from the original POM, in order to stay within the fiscal constraints on which the original POM was based.
 - c. Change must be initiated timely enough to allow a decision to be made in concert with the total program. Change is not acceptable if a Secretary of Defense decision is imminent or has been issued.
3. Decisions on the POMs and the JFM will be processed in the form of PDMs consistent with the titles of the major mission and support categories and special aggregations identified within the Secretary of Defense Fiscal Guidance Memorandum. For example, all Military Departments may respond to the Strategic Forces aggregation, however, only a single Secretary of Defense PDM will be issued for the total Strategic aggregation.

C. Specific Information

1. POMs should consider the differences between the Joint Forces Memorandum issued by the JCS and the program being submitted.
2. POMs will include a total summary of the economic analysis and assessment of the costs which will provide an analysis and results, including an assessment of the risks associated with the proposed major mission and support programs and the military advantages to be gained as measured against the JFM.

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3. POMs must be prepared within the parameters of the stated Secretary of Defense Fiscal Guidance.
4. POMs will normally be prepared within the boundaries prescribed by the planning data provided by both the JSOP - Volume II and the JFM.
5. Individual summaries should be provided by Major Mission and Support Categories and special aggregations as measured against the currently approved program.
6. POMs will include both direct and indirect costs in the major mission and support category to which the costs are relatable. Related support costs reflected in a major mission category will not again be included in a support category.
7. Cost models are encouraged where they will assist in meeting POM schedules.
8. Total summary (See Item Two above) should also include an identification of major issues which in the opinion of the submitting activity are required to be resolved during the year of submission. A comparison between the identified major issues and the major issues in the Joint Forces Memorandum should be discussed when differences are involved.
9. Supporting detail for POMs will be prepared in program element terms except that procurement programs, other than major weapon systems, may be expressed by use of procurement listings, which will be submitted by major mission and support category.
10. POM backup information should be provided by use of existing documentation to preclude excessive administrative workload.

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INSTRUCTIONS FOR THE PREPARATION
AND PROCESSING OF DD FORMS 1570
PROGRAM CHANGE REQUEST
(PCR)

A. General

1. PCRs are to be submitted in accordance with the criteria established by paragraph VIII.G. of this Instruction.
2. Sections or specific blocks of the forms that do not apply should be indicated as "not applicable."
3. PCRs may be originated by and submitted to the Secretary of Defense over the signature of the Secretary of a Military Department, Chairman of the Joint Chiefs of Staff, Director of the Defense Research and Engineering, Assistant Secretaries of Defense, Assistants to the Secretary of Defense and the Directors of Defense Agencies.
4. Secretaries of the Military Departments or the Director of a Defense Agency may delegate authority to sign proposals, not considered major issues, to his Assistant Secretary for Financial Management or Defense Agency Comptroller, or an official at a comparable level of authority within a Defense Agency.
5. PCRs will be transmitted in thirty copies to the Director for Program and Financial Control, Office of the Assistant Secretary of Defense (Comptroller).
6. An economic analysis which includes all information relevant to the evaluation of the proposal and documentation of the decision including International Balance of Payments impact (See Reference (d)) will be included on the forms submitted. When such information as procurement objectives and procurement acceptance or "cost to complete" is considered necessary to the evaluation of the proposal, continuation sheets should be used to expand any section, as needed.
7. PCRs will be prepared to confirm Secretary of Defense decisions expressed by other than recognized decision documents when the decision is in insufficient detail to allow FYDP update action. For the purpose of this Instruction recognized decision documents are: Program Decision Memoranda expressing a Secretary of Defense decision in program element terms by means of a "resource annex," Development Concept Papers (DCPs), accompanied by a "resource annex," Program Change Decisions (PCDs), Program Budget Decisions (PBDs), Reprogramming Actions (DD Forms 1415), and Secretary of Defense Memoranda expressing a decision in sufficient detail to allow FYDP update action.

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8. PCRs will be prepared using programming costs and will include resources identified to both direct and indirect elements. For the purpose of this Instruction, direct elements are those which contain resources directly affected by the proposal being made whereas indirect elements are those which change because of a change made to a direct element, e.g. base operations, training, command, housing and elements in Programs 7, 8 and 9 when the direct element is a force element.
9. The PCR summary sheets will summarize the total implication of the change. When more than one program element is involved in a proposal, supporting formats for forces, manpower and costs as applicable, are to be appended for each element included in the proposal.
10. PCRs must include all factors or identify standard factors used in the preparation of the PCR. Those submitted without adequate explanation of data and factors used for justification may be returned for resubmission.

B. Processing

1. PCRs will be forwarded to the Assistant Secretary of Defense (Comptroller) for the assignment of a Primary Action Office (PAO), the Collateral Action Office(s) (CAO) and the establishment of control records.
2. PCRs meeting the criteria of this Instruction may be submitted to the Secretary of Defense for decision at any time subsequent to the receipt of a PDM and prior to the date of the submitting activities' POM. If the submitting activity is not required to submit a POM, the PCR should be processed timely enough to be decided in advance of the annual submission of the DoD budget estimates.
3. Specific dates will be assigned to both PAOs and CAOs by which action on a PCR must be completed. It is the responsibility of the CAO to insure timely input of comments to the assigned PAO and the responsibility of the PAO to insure that the required date for the preparation and submission of the PCD is met.
4. The DD Forms 1570 series will be used to organize a PCR for submission to OSD unless computer products are available and data meets or exceeds that required by the DD Forms 1570.

C. Specific Information

1. Summary Form - DD Form 1570

- a. PCR Number - Enter appropriate number. Change numbers are assigned by the submitting Military Department or Defense Agency in consecutive sequence starting with one each

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calendar year. The Military Departments' or Defense Agencies' identifier code as prescribed by Chapter II of DoD 7045.7-H, and a prefix designating the calendar year will precede each number (e.g. N-9-001). Numbers assigned to proposals that are subsequently withdrawn or cancelled after submission to the Assistant Secretary of Defense (Comptroller) will not be reused.

- b. Program Element Title - Enter the specific program element title as prescribed in Chapter II of DoD 7045.7-H. When an aggregation involving more than one program element is involved, use the most descriptive aggregation of the program structure that will identify the proposal being submitted (e.g. Offensive Forces - Missile Units).
- c. As Of Date - Enter the date of the specific FYDP update used as the current approved program on which proposal is based.
- d. Action Officer/Telephone Number - Enter the name and title of the individual most knowledgeable of the proposed changes and the telephone extension on which he may be contacted.
- e. Program Element Code - Enter the specific element code as assigned by Chapter II, DoD 7045.7-H. When more than one code is involved, indicate by inserting the word "various." Specific elements involved should then be stated in the summary. When element codes and titles have not been assigned, enter the word "new" in this block and indicate in the summary that element code(s) and title(s) are to be assigned in the event of approval. The definitions for new element(s) must accompany the proposal.
- f. Summary - Provide brief rationale for the change, assessment of the risk and explain the benefits to be derived and military advantages to be gained in the event of proposal approval. State the emergency of the proposal which requires its solution during the current cycle or explain the absence of the proposal from the POM, as appropriate. Elaborate on the alternatives being considered. Obtain signature as indicated by A.3. above. Apply date.
- g. Summary (Page 2) - Insert as many 8x10½ sheets as needed to insure a complete description of the proposal and its justification. Mark each additional sheet with the same PCR number applied to page 1 of the summary form. Inserts need not be used when page 1 of the summary form contains sufficient information and includes: (1) the impact the proposal will have on the International Balance of Payments (IBP) and (2) the impact on the foreign national employment or U. S. military and civilian strengths in foreign countries. When an IBP impact is reported, it should indicate the estimated amount by fiscal year in accordance

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with DoD Instruction 7060.2 (Reference (d)) and should differentiate between force changes and manpower changes. When manpower strengths, major procurements or military construction in foreign countries are involved, the changes should be identified to both countries involved and fiscal year.

2. Summary Form - DD Form 1570-1

- a. PCR Number - Enter same number as applied to page 1 summary form DD Form 1570.
- b. Forces - Specific force detail should be identified by program element either on page 1 of the summary or as an attachment to page 1 summary form DD Form 1570. The forces applied to page 3 are the net change differences only and are not required to be program element oriented.
- c. TOA - Enter only the net change the proposal will cause from the currently approved program. Indicate appropriate appropriations being changed. Do not include the impact on Retired Pay/Homeowners Assistance/Military Family Housing/MAP/ or Special Foreign Currency unless the PCR specifically addresses a change to these appropriations.
 - (1) Research and Development Costs - Enter net changes from the current approved program for both the RDT&E and Military Construction appropriations. Show total Research and Development cost change.
 - (2) Investment Costs - Enter net changes to Military Construction as currently provided by the Military Services Project Listing or equivalent for Defense Agencies. Specific program element detail will be provided as backup to the PCR. Enter net changes to Procurement appropriations. Specific "Line Item" detail such as presently provided by the procurement listing, i.e. cost, quantity, and basis of issue information, will be provided as support to the PCR. When indirect procurement costs are included (not manpower-determined) DD Form 1570-2 should be used and labeled "indirect." Appropriate rationale should be provided to indicate derivation of costs reported. Show total Investment cost change.
 - (3) Operations Costs - Enter net change from approved program. Include Military Pay appropriation based on standard military pay factor which will be periodically updated and published by OSD. Include O&M net changes which will be a combination of both the direct and indirect, whether manpower determined or otherwise. DD Form 1570-4 will be used to identify O&M costs that are totally

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manpower-determined in addition to other appropriations that are manpower determined. DD Form 1570-2 will be used to identify indirect O&M costs that are not totally manpower-determined. Sufficient rationale must be provided to indicate derivation of costs reported. Show total operating cost change.

(4) Total Obligational Authority - Enter appropriate totals.

- d. Manpower - Enter only the net change difference from the approved program. Indicate by military officers and enlisted authorizations and show civilians by U. S. Direct Hire, Foreign Direct Hire and Foreign Indirect Hire. Show Total Military and Total Civilian changes.

3. Cost Detail - DD Form 1570-2

- a. PCR Number - Enter same number as applied to page 1 summary form DD Form 1570.
- b. As Of Date - Enter the date of the specific FYDP update used as the current approved program on which the proposal is based.
- c. Program Element Code - Assign appropriate element code as prescribed by DoD Instruction 7045.7-H, "Codes and Definitions Handbook." DD Form 1570-2 is designed to provide data for two element codes. When an element code has not been assigned indicate "new" in this block.
- d. Approved Costs - Enter the Total Obligational Authority reflected in the Five Year Defense Program identified by the annual Program/Budget Review Schedule as modified by subsequent Secretary of Defense decisions. See 3.b. above.
- e. Change Costs - Enter the net change difference to costs between the approved program and the amount being proposed.
- f. Total Change - Enter the total for all years.
- g. Procurement Costs - When indirect procurement costs are being reported, that are not totally manpower-determined, this form should be used and labeled "indirect" accompanied with appropriate rationale to indicate derivation of cost data.
- h. Operations and Maintenance Costs - DD Form 1570-2 does not require the inclusion of the Military Pay appropriation. Use the DD Form 1570-2 for both the direct and indirect program elements respectively. For indirect costs that are not totally manpower-determined, this form will be labeled "indirect" and accompanied with appropriate rationale to indicate derivation of cost data.

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4. Manpower Detail - DD Form 1570-3

- a. PCR Number - Enter same number as assigned to page 1 summary form DD Form 1570.
- b. As Of Date - Enter the date of the specific FYDP update used as the current approved program on which the proposal is based.
- c. Program Element Code - Assign appropriate program element code as prescribed by DoD Instruction 7045.7-H, "Codes and Definitions Handbook." DD Form 1570-3 is designed to provide data for two element codes. When an element code has not been assigned indicate "new" in this block.
- d. Approved Manpower - Enter the end year strength for the element code being reported as stated in the Five Year Defense Program identified by the annual Program/Budget Review Schedule as modified by subsequent Secretary of Defense decisions. See paragraph 4.b. above.
- e. Changed Manpower - Enter the net change difference to end year strengths between the currently approved program and the proposal.
- f. Manyear Data - This form does not require manyear information, however, if manyears are used in the cost calculation, they should be appropriately identified.

5. Cost Detail (Indirect) - DD Form 1570-4

- a. PCR Number - Enter same number as assigned to page 1 summary form DD Form 1570.
- b. As Of Date - Enter the date of the specific FYDP update used as the current approved program on which the proposal is based.
- c. Element Codes - Enter the appropriate program element codes as prescribed by DoD Instruction 7045.7-H, "Codes and Definitions Handbook." DD Form 1570-4 is designed to provide indirect cost data for fifteen program elements. When an element code has not been assigned, enter the word "new" in this block.
- d. Appropriations - Include only appropriations which have been changed by this proposal. Military Pay and PCS should be excluded. Use this form only for O&M indirect costs that are totally manpower-determined. Use DD Form 1570-2 for indirect costs that are not totally manpower-determined and annotate the form for "indirect." Retired Pay/Homeowners Assistance/Military Family Housing and PCS should not be included in PCRs unless the PCR specifically addresses a change to these appropriations.

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(Att 1 to Encl 2)

PROGRAM CHANGE REQUEST		PROGRAM CHANGE REQUEST NUMBER
PROGRAM ELEMENT TITLE	FYDP AS OF	
TYPED NAME AND TITLE OF PRINCIPAL ACTION OFFICER	TELEPHONE NUMBER	PROGRAM ELEMENT CODE
SUMMARY		
SIGNATURE AND DATE		

DD FORM 1 OCT 68 1570

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(Att 2 to Encl 2)

PROGRAM CHANGE REQUEST SUMMARY						PCR NUMBER		
FORCES (Net Change)	CFY	FY	FY	FY	FY	FY	FY	FY

(If more space is needed use plain paper and add "page ___ of ___" etc.)

TOTAL OBLIGATIONAL AUTHORITY (In thousands of dollars) (Net Change)

RESEARCH AND DEV.								
RD&E								
MILITARY CONST								
TOTAL RESEARCH AND DEV.								
INVESTMENT:								
PROC								
MILITARY CONSTRUCTION								
TOTAL INVESTMENT								
OPERATING:								
O & M								
MILITARY PERSONNEL								
TOTAL OPERATING								
TOTAL OBLIGATIONAL AUTH								

MANPOWER (End Strengths) (Net Change)

MILITARY								
OFFICER								
ENLISTED								
TOTAL MILITARY								
CIVILIAN:								
U S. DIRECT HIRE								
FOREIGN DIRECT HIRE								
FOREIGN INDIRECT HIRE								
TOTAL CIVILIAN								

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PAGE ____ OF ____ PAGES

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(Att 3 to Encl 2)

PROGRAM CHANGE REQUEST COST DETAIL			PROGRAM CHANGE REQUEST NUMBER				FYDP OF	
APPROVED 4	R&D INV OPER	PROGRAM ELEMENT CODE	TOA IN \$ THOUSANDS					
			FY	FY	FY	FY	FY	FY
		RD&E						
		MIL CON						
		PROC						
		PROC						
		PROC						
		MIL CON						
		OPERATIONS AND MAINTENANCE						
TOTAL OBLIGATIONAL AUTH.								
CHANGE 4	R&D INV // OPER	RD&E						
		MIL CON						
		PROC						
		PROC						
		PROC						
		MIL CON						
		OPERATIONS AND MAINTENANCE						
TOTAL CHANGE								

APPROVED 4	R&D INV OPER	PROGRAM ELEMENT CODE	TOA IN \$ THOUSANDS						
			FY	FY	FY	FY	FY	FY	
		RD&E							
		MIL CON							
		PROC							
		PROC							
		PROC							
		MIL CON							
		OPERATIONS AND MAINTENANCE							
TOTAL OBLIGATIONAL AUTH.									
CHANGE 4	R&D INV // OPER	RD&E							
		MIL CON							
		PROC							
		PROC							
		PROC							
		MIL CON							
		OPERATIONS AND MAINTENANCE							
TOTAL CHANGE									
REMARKS									
1/ Military Pay or PCS Not Required									

1/ Military Pay or PCS Not Required

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PROGRAM CHANGE REQUEST MANPOWER DETAIL			PROGRAM CHANGE REQUEST NUMBER						FYDP OF	
PROGRAM ELEMENT CODE			FY	FY	FY	FY	FY	FY	FY	
APPROVED	END STRENGTH	OFFICER								
		ENLISTED								
		TOTAL MILITARY								
		U.S. DIRECT HIRE								
		FOREIGN DIRECT HIRE								
		FOREIGN INDIRECT HIRE								
TOTAL CIVILIAN										
CHANGE	END STRENGTH	OFFICER								
		ENLISTED								
		TOTAL MILITARY								
		U.S. DIRECT HIRE								
		FOREIGN DIRECT HIRE								
		FOREIGN INDIRECT HIRE								
TOTAL CIVILIAN										
REMARKS										

PROGRAM ELEMENT CODE			FY						
APPROVED	END STRENGTH	OFFICER							
		ENLISTED							
		TOTAL MILITARY							
		U.S. DIRECT HIRE							
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TOTAL CIVILIAN									
CHANGE	END STRENGTH	OFFICER							
		ENLISTED							
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		FOREIGN DIRECT HIRE							
		FOREIGN INDIRECT HIRE							
TOTAL CIVILIAN									
REMARKS									

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11 Military Pay and PCS need not be included.

2. Manpower is shown on DD Form 1570-3. Indicate whether factor is for civilian manpower, military manpower, or total manpower.

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INSTRUCTIONS FOR THE USE
AND PREPARATION OF PROGRAM
CHANGE DECISIONS (PCDs) AND
PROGRAM/BUDGET DECISIONS (PBDs)

A. General

1. Program Change Decisions (PCDs) will be used to announce certain program decisions of the Secretary of Defense. Program/Budget Decisions (PBDs) will be used to announce all budget decisions incident to the annual review of the formal budget submission to the Secretary of Defense.
2. The PCDs are formatted in a manner to make them compatible with the PCRs thereby allowing the responses to be in the same terms as the submissions.
3. PCDs will be used to announce Secretary of Defense decisions in addition to responding to PCRs, however, they will not be used to confirm decisions made by Program Decision Memoranda (PDMs), Development Concept Papers (DCPs) or reprogramming actions which are decisions in their own form.
4. In order to provide a clear understanding of each decision announced by a PCD, it is necessary that the format contain, as a minimum, the following information in precise and explicit terms.

B. Specific Entries

1. Summary Form (Page 1) - SD Form 428
 - a. PCR Number - Enter the same number assigned by the initiating activity of the PCR. When the PCD is being originated by OSD without benefit of PCR input, the letter Z proceeding the year will be assigned (e.g. Z-9-001).
 - b. Implementing Component - Enter the name of the Military Department or Defense Agency designated to implement the decision. When implementation involves more than an Agency or Department, indicate by inserting the word "All" or "See Below," and specify in the body of the decision those Military Departments or Defense Agencies that will be required to implement the decision.
 - c. Program Element Code - Enter the specific program element code as assigned by DoD Instruction 7045.7-H, "Codes and Definitions Handbook." When more than one element is involved, insert the word "various" and identify each program element in the body of the decision.
 - d. Guidance - Enter the originator of the PCD by inserting the office origin of the proposed decision (e.g. Assistant

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Secretary of Defense (Systems Analysis), Assistant Secretary of Defense (Comptroller), Assistant Secretary of Defense (Installations and Logistics), Assistant Secretary of Defense (Manpower and Reserve Affairs) or other office or agency having primary responsibility for the authorship of the decision. If Secretary of Defense memorandum or DoD Instruction state in place of office of origin.

- e. Adjustment Requested - Provide a brief summary of the proposed change as originally submitted or outline the objective of the proposed change and provide summary background information to explain why the change is needed.
- f. Evaluation or Discussion - Include an evaluation of the logic of the proposal discussing as necessary, the variances or alternatives considered. Include all significant information that might influence the decision.

2. Decision

- a. Include the actual decision, either approved or disapproved or, as appropriate, alternatives being proposed. If disapproved, the reason for disapproval will be stated.
- b. Also include any International Balance of Payments implications that the decision may cause and additional guidance such as the identification of studies to be performed or on-going having a bearing on the decision. Identify as necessary the need for additional information or follow-on reports on the impact of the decision.
- c. The decision will be announced in program element terms. When a single page decision is issued both the direct and indirect elements will be identified. When the complexities of the decision involve numerous impacts on program elements both direct and indirect, SD Forms 428 through 428-6 (excluding 1 and 2) will be used and prepared in the same manner as prescribed for the DD Forms 1570 through 1570-4.

3. Signature and Date

- a. Changes to the FYDP announced by PCDs will normally be authorized by the Secretary of Defense or Deputy Secretary of Defense.
- b. Signature of the Assistant Secretary of Defense (Comptroller) or his designated representative will be affixed to a PCD when the decision authorizes a change to the FYDP based on:
 - (1) Confirmation changes involving decisions made by the Secretary of Defense by a means other than the recognized decision documentation, or

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- (2) Minor adjustments to the structure within the limitations of the criteria established by this Instruction, or
- (3) Changes to the operating budgets of industrial funds, or
- (4) Corrections of errors, or "fact of life" changes, or
- (5) Adjustments involving production acceptance schedules as approved by Assistant Secretary of Defense (Installations and Logistics), and minor procurement changes or attrition changes.

C. Program/Budget Decision (PBD) - SD Form 428-1 and 428-1c

1. General - The data applied to the PBD, SD Form 428-1 and the continuation sheet 428-1c is variable, and will not normally be confined to a specific pattern. As frequently as possible, the decision will be expressed by use of a single page document SD Form 428-1.
2. Specific Entries - Enter data in accordance with detailed instructions prescribed by DoD Instruction 7110.1 (Reference (c)).
3. Attachments - When an out-year impact, (first year beyond the budget year) is apparent, the "decision record" which accompanies the PBD will express the impact of the PBD in program element terms.

Attachments - 6

SD Forms 428, 428-1, 428-1c,
428-3, 428-4, 428-5, and
428-6

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(Att 1 to Encl 3)

PROGRAM CHANGE DECISION		PCR NUMBER
IMPLEMENTING DOD COMPONENT	PROGRAM ELEMENT CODE	SUBDANCE
ADJUSTMENT REQUESTED		
SIGNATURE AND DATE		

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CONFIDENTIAL (Not classified unless data entered.)

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PROGRAM/BUDGET DECISION		NUMBER
SUBJECT	DOD COMPONENT	
DESCRIPTION		
DECISION		

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CONFIDENTIAL (Not classified unless data entered.)

PAGE 1 OF

CONFIDENTIAL (Not classified unless data entered.)

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PROGRAM/BUDGET DECISION (Continuation)	NUMBER
SUBJECT	DOO COMPONENT
CONTINUATION OF CONSIDERATION	

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CONFIDENTIAL (Not classified unless data entered.)

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PROGRAM CHANGE DECISION SUMMARY					PER NUMBER			
FORCES, Net Change	CFY	FY	FY	FY	FY	FY	FY	

(If more space is needed use plain paper and add "page of" etc.)

TOTAL OBLIGATIONAL AUTHORITY (In thousands of dollars) (Net Change)

RESEARCH & DEV								
ROT & E								
MILITARY CONSTRUCTION								
TOTAL RESEARCH AND DEVELOPMENT								
INVESTMENT:								
U								
P								
MILITARY CONSTRUCTION								
TOTAL INVESTMENT								
OPERATING:								
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HANPOWER (End Strength) (Net Change)

MILITARY:								
OFFICER								
ENLISTED								
TOTAL MILITARY								
CIVILIAN:								
U.S. DIRECT HIRE								
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FOREIGN INDIRECT HIRE								
TOTAL CIVILIAN								

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(Att 5 to Encl 3)

PROGRAM CHANGE DECISION COST DETAIL		PROGRAM CHANGE REQUEST NUMBER					FYDP OF					
APPROVED	PROGRAM ELEMENT CODE	TOA IN \$ THOUSANDS						FY	FY	FY	FY	FY
		FY	FY	FY	FY	FY	FY					
R&D	ROT & E											
	MIL CON											
INV	PROC											
	PROC											
	PROC											
	MIL CON											
OPERATIONS & MAINTENANCE												
OPEN												
TOTAL OBLIGATIONAL AUTHORITY												
R&D	ROT & E											
	MIL CON											
INV	PROC											
	PROC											
	PROC											
	MIL CON											
OPERATION & MAINTENANCE												
1/ OPER												
TOTAL CHANGE												

APPROVED	PROGRAM ELEMENT CODE	TOA IN \$ THOUSANDS						FY	FY	FY	FY	FY
		FY	FY	FY	FY	FY	FY					
R&D	ROT & E											
	MIL CON											
INV	PROC											
	PROC											
	PROC											
	MIL CON											
OPERATIONS & MAINTENANCE												
OPEN												
TOTAL OBLIGATIONAL AUTHORITY												
R&D	ROT & E											
	MIL CON											
INV	PROC											
	PROC											
	PROC											
	MIL CON											
OPERATIONS & MAINTENANCE												
1/ OPER												
TOTAL CHANGE												

REMARKS

1/ Military Pay or PCS Not Required

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PAGE ____ OF ____ PAGES

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(Att 5 to Encl 3)

PROGRAM CHANGE DECISION MANPOKER DETAIL		PROGRAM CHANGE REQUESTS NUMBER						FYOP OF.	
PROGRAM ELEMENT CODE		FY	FY	FY	FY	FY	FY		
APPROVED	END STRENGTH	OFFICER							
		ENLISTED							
		TOTAL MILITARY							
		U.S. DIRECT HIRE							
		FOREIGN DIRECT HIRE							
		FOREIGN INDIRECT HIRE							
TOTAL CIVILIAN									
CHANGE	END STRENGTH	OFFICER							
		ENLISTED							
		TOTAL MILITARY							
		U.S. DIRECT HIRE							
		FOREIGN DIRECT HIRE							
		FOREIGN INDIRECT HIRE							
TOTAL CIVILIAN									
REMARKS									

PROGRAM ELEMENT CODE		FY	FY	FY	FY	FY	FY	
APPROVED	END STRENGTH	OFFICER						
		ENLISTED						
		TOTAL MILITARY						
		U.S. DIRECT HIRE						
		FOREIGN DIRECT HIRE						
		FOREIGN INDIRECT HIRE						
TOTAL CIVILIAN								
CHANGE	END STRENGTH	OFFICER						
		ENLISTED						
		TOTAL MILITARY						
		U.S. DIRECT HIRE						
		FOREIGN DIRECT HIRE						
		FOREIGN INDIRECT HIRE						
TOTAL CIVILIAN								
REMARKS								

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FUNCTIONAL STATEMENT

ASSISTANT VICE CHIEF OF STAFF (13).

The Assistant Vice Chief of Staff is the principal assistant to the Chief of Staff and the Vice Chief of Staff for developing guidance and integrating the efforts of the Army Staff to improve the management and utilization of Army resources, including personnel, materiel, forces, facilities and funds. He is responsible for the following:

- a. A study effort to improve performance and effectiveness in all functional areas.
- b. Coordinating and integrating the DA Management Information System so that commanders at all levels can identify major problem areas as soon as possible and evaluate alternatives.
- c. Monitoring the development of manual and automated force planning and programming models, including costing and force mix performance characteristics and combat effectiveness aspects to assess rapidly the effectiveness and costs of force structure and program alternatives and identify tradeoffs.
- d. Coordinating evaluation of force structure alternatives to insure integrated resource implication analysis for manpower, materiel, and funds.
- e. Recommending establishment of thresholds below the level of the Secretary of the Army for the approval of force structure and related manpower and equipment requirements authorization documents.
- f. Developing general guidance to Army Staff agencies on force oriented issues and Program Objectives Memoranda which directly involve Army resources to insure responsiveness and validity of agency inputs, reviewing agency inputs to insure that requirements are met fully, integrating inputs, as appropriate, and processing DA views, with recommendations through the Chief of Staff to the Secretary.
- g. Prescribing guidance and monitoring analyses identifying weapon systems alternatives, resources required to carry out those alternatives, and actions to accomplish preferred alternatives.
- h. Coordinating The Army Study Program and the Army study system to improve their cohesion, integration, and comprehensiveness. Is Chairman of the Army Study Advisory Committee.
- i. Developing and coordinating information on management information systems, weapon systems analyses, and force planning required by outside agencies and maintaining liaison with OSD staff elements and the Army Secretariat.
- j. Recommending guidance for, and integrating Army Staff agency recommendations according to Planning, Programming, and Budgeting Cycle timetables.

k. Developing and supervising the Army programing system. Chairs the Select Committee which reviews, coordinates, and acts or recommends action, on all matters relating to programing, budgeting, and the use of Army financial resources.

1. Keeping the Secretary of the Army and the Chief of Staff directly informed with respect to matters within his functional area of responsibility.

He exercises command authority over the United States Army Management Systems Support Agency, a Class II activity of the Office of the Chief of Staff, and the United States Army Computer Systems Command, a Class II activity responsible for centrally developing ADP systems to be used by more than one major Army command.

STATEMENT OF FUNCTIONS

COORDINATOR OF ARMY STUDIES AND CHIEF, STUDY PROCESSING GROUP (14)

Is the principal advisor to the AVCofSA on Army studies and management of the Army Study System. Is responsible for the functions performed by the Study Processing Group. Coordinates and integrates The Army Study Program (TASP) and the overall Army study effort including: maintaining liaison with OSD, Joint Staff, OSA, Army Staff, major commands, and other military departments; recommending approval or disapproval and monitoring contract studies as authorized by AR 1-110; assigning study monitorship responsibilities; and monitoring of major studies within the functional responsibilities of the OAVCofSA as prescribed in AR 1-5. Is principal assistant to chairman of the Army Study Advisory Committee (ASAC).

STUDY PROCESSING GROUP (15)

Reviews and analyzes annual study programs to detect and identify gaps or areas requiring emphasis in The Army Study System as prescribed in AR 1-5. Is responsible for: developing major study program objectives and formulating, correlating, and updating The Army Study Program; and coordinating the contract study effort, and related funding. Prepares, coordinates, and submits directives for CofSA approval on initiating major studies to be conducted by the Army Staff, government and non-government agencies, and major commands, assists the Army Staff and AVCofSA Directorates in the preparation of CSMs and other directives for major studies. Monitors selected major studies which are not in the functional responsibilities of the AVCofSA Directorates. Processes all Staff actions, including CSMs, within the OcofSA which pertain to studies. Coordinates all directives for major studies addressed to major commands. Assigns OAVCofSA representation responsibility to Study Advisory Groups (SAGs) in accordance with assigned study monitorship responsibilities. Maintains liaison with OSD, Joint Staff, OSA, Army Staff, major commands, and other military departments regarding TASP. Provides administrative support for the Army Study Advisory Committee.

STATEMENT OF FUNCTIONS

DIRECTOR, MANAGEMENT INFORMATION SYSTEMS (16)

Is responsible for functions performed by the Directorate and is principal advisor to the AVCoSA on Army management systems and related information systems requirements and objectives. Is the primary Army Staff contact point with the DA senior ADP policy official (ASA(FM)). Coordinates and integrates the overall Army Management Information Systems (AMIS). Coordinates and integrates the development and design of HQDA MIS and all executive-level information subsystems. Is responsible for the management, coordination, evaluation, and satisfaction of information requirements for the elements of the OAVCoSA. Provides technical guidance and assistance to the Chief of Personnel Operations in the administration of the ADP Officer Specialist Program. Serves as the functional chief of the civilian ADP Career Program. Provides technical assistance, in the areas of information systems and data processing, to all Army staff agencies. Acts as the Army focal point for management information requirements. Monitors, investigates, evaluates, and promulgates new systems concepts and techniques for use in the development and implementation of information systems. Supervises the interchange of information science and related computer concepts and developments within the Army and with other organizations. Monitors R&D efforts related to information management and related ADP system techniques. Serves as the point of contact for special software requirements, data standardization programs, and data transmission support of Army management information systems. Provides technical guidance and assistance, as necessary, throughout the development cycle of Army information systems. Reviews for technical feasibility and effectiveness system requirements documentation, to include DSI, GFSR, DFSR, and proposed functional changes. Directly controls the operating functions of the U. S. Army Computer Systems Support and Evaluation Command (USACSEC). Exercises staff supervision for the AVCoSA, over the U. S. Army Computer Systems Command (USACSC).

PLANS AND PROJECTS OFFICE (17)

Responsible for the operation and maintenance of the AMIS planning system and the development of the AMIS Master Plan, to include the preparation of Chief of Staff objectives on program guidance and the establishment of priorities. Responsible, in conjunction with MPG, for development of program guidance for management information systems and coordination of related program changes and budget actions. Provides MISD working group membership to the Army Studies Advisory Committee and provides membership on SAGS, as required. Reviews systems requirements and other appropriate documentation to assure consistency with requirements, schedules, and resources contained in the master plan. Reviews, evaluates, and coordinates within MISD, for CAS, the Army study effort for system and ADP implications.

TACTICAL SUPPORT SYSTEMS GROUP (18)

Through its Department of the Army Systems Staff Officers (DASSOs), supervises and coordinates all program and budget actions at HQDA for the Automatic Data Systems Within the Army in the Field (ADSAF) program. This includes the Tactical Operations System (TOS), the Tactical Fire Direction System (TACFIRE), and the Combat Service Support System (CS₃). Is Army Staff point of contact for outside agencies and subordinate commands on matters pertaining to the ADSAF program. Provides Staff support to the ADSAF DA Review Committee. Supervises Army Staff coordination of functional requirements, qualitative materiel development objectives, and qualitative materiel development requirements for the ADSAF program. Coordinates requirements for interface, and standardization between the ADSAF systems and other systems being developed by the military services, the JCS and the OSD. Ensures early identification of doctrinal, equipment, personnel, organizational, and training actions necessary to support the fielding, operation, and maintenance of the ADSAF systems. Has overall responsibility for the development and coordination of Army Staff actions relating to the Quick Reaction Inventory Control Center (QRICC). Acts as the MISD point of contact for Project STANO, and provides a delegate to the QUADRIPARTITE Working Group/Automatic Data Processing Systems of the ABCA Committee on Tactical Equipment and Logistics (TEAL). Processes requests for contractual ADP services, submitted under the provisions of AR 1-110.

MANAGEMENT AND POLICY GROUP (19)

Provides, for the Director, MIS, the primary Army Staff, point of contact with the ASA(FM) in his capacity as the senior ADP policy official. Co-ordinates with and advises the senior ADP policy official (ASA(FM)) during formulation of new, revised, or amended policies. Coordinates, for the Director, MIS, all MISD actions requiring contact with the senior ADP policy official (ASA(FM)). Promulgates Army overall policy and procedures for management information systems and the DOD ADP program. Provides technical assistance to DCSPER in all aspects of military and civilian ADP personnel management and training. As directed by the functional chief, administers the Civilian ADP Career Program. Provides technical assistance and advice to DCSPER in the administration of the officer ADP Special Career Program. Provides technical assistance to DCSPER in the development of policies and procedures for the enlisted ADP Career Program. Provides technical assistance to DCSPER in the development of policies and procedures for the enlisted ADP Career Program. Monitors development of Qualitative and Quantitative Personnel Requirements Information for all new management information systems, system expansions, and system changes to the New Equipment Personnel Requirements System (AR 611-1). Monitors

the development and implementation of system training plans. Develops, in coordination with COA, methods and procedures for correlating ADP resource information with the Army program, budget, and accounting systems. Processes PCR and budget actions; performs required MISD coordination with Army staff agencies, as appropriate. Supports program/budget requirements with OSD and Congress. Develops proposed annual ADPE PEVA purchase program for submission to DCSLOG and administers the purchase program upon approval of funding.

Represents the DA, as directed, for technical ADP matters on government, non-government, and international organizations. Performs support functions for the Keystone Management Systems Steering Committee and Select Working Group, as directed. Reviews and forwards to appropriate MISD Group, for processing, all requests for ADP services submitted under provisions of AR 1-110, and provides a central point for the collection of detailed information on all Army contracts pertaining to MIS/ADP.

Responsible, in coordination with PPO, for PCR/POM actions. Identifies essential elements of information, structures reporting requirements, provides guidance to USACSSEC regarding development and maintenance of the ADP MIS (AR 18-3).

HEADQUARTERS SYSTEMS GROUP (20)

- Develops the plan, formulates general design guidance and controls the development of the Army Management Information System which supports the Secretary of the Army, Chief of Staff, and Office, Assistant Vice Chief of Staff. Receives and validates all information requirements from the Army Secretariat and Office, Chief of Staff. Develops automated displays and systems in support of Executive-level requirements. Provides guidance and works directly with USAMSSA in the development and operation of executive information systems providing summary information to the Secretariat and the Office of the Chief of Staff. Identifies, and designates in coordination with the SIG, the assignment of staff responsibility for submission of source data required by all Executive-level information systems. Coordinates MISD activities in support of the information requirements of the Secretariat and all elements of the Office, Chief of Staff. Acts as the ISO for the Army Secretariat and Office, Chief of Staff. Acts as the MISD point of contact with USAMSSA. Responsible for the HQ ADP Steering Committee. Acts, for the D, MIS, as the Army focal point (point of contact) for DOD components relative to all management information requirements and coordinates and/or forwards such requirements to appropriate MISD Groups, as required. Performs support functions for the Keystone Management Systems Steering Committee and Select Working Group, as directed. Provides membership, as required to Study Advisory Groups (SAGs) pertaining to development of Army information systems. Provides data on budget submissions, as requested by MPG. Monitors the development of HQDA information systems/models with prime emphasis on that portion of the system life cycle subsequent to DFSR approval. Provides systems

guidance and assistance, as necessary, to the functional staff in the development of HQDA information systems/models. Processes requests for contractual ADP services, submitted under the provisions of AR 1-110.

ARMY FUNCTIONAL SYSTEMS GROUP (21)

Processes all requests for acquisition of ADPE equipment (except PQI), including computer mainframes and peripherals. Provides data on budget submissions, as requested by MPG. Provides membership, as required, to Study Advisory Groups (SAGs) pertaining to development of Army information systems. Participates, as required, with SIG and HQDA Staff and OSD agencies in joint projects to analyze vertical systems and develop alternatives for improvements. Performs on-site ADP systems reviews, specifications reviews, readiness reviews, prototype evaluations, and performance evaluations. Performs support functions for the Keystone Management Systems Steering Committee and Select Working Group, as directed. Ensures early identification of equipment, personnel, organizational, and training actions necessary to support the fielding, operation, and maintenance of Army ADP systems. Monitors progress of OIS development projects of CSC and other commands with emphasis on that part of life cycle after approval of the DFSR. Processes requests for contractual ADP services, submitted under the provisions of AR 1-110.

SYSTEMS INTEGRATION GROUP (22)

Monitors development of Army management systems and related information systems requirements and objectives. Is responsible for the administration of the Keystone Management Systems Steering Committee. Coordinates, under the direction of the Chairman, Keystone Select Working Group, all MISD efforts in support of the Keystone Steering Committee and Select Working Groups. Provides overall systems guidance and assistance, as necessary, throughout the system life cycle to insure coordination, compatibility, and integration among the Army's vertical management information systems. Reviews and processes management information systems requirements documentation to include DSI, GFSR, DFSR, and proposed functional changes. Responsible for implementation of DA ADP System Change Control Procedures as defined in CSR 18-10. Conducts on-site ADP systems reviews as required. Participates in specification reviews, readiness reviews, prototype evaluation, and performance evaluations, as required. Insures that Army vertical management information systems meet Executive-level information requirements, as defined by the Headquarters Systems Group (HSG). Provides membership, as required, to Study Advisory Groups (SAGs) pertaining to development of Army information systems. Processes requests for contractual ADP services, submitted under the provisions of AR 1-110.

STATEMENT OF FUNCTIONS

DIRECTOR, PLANNING AND PROGRAMMING ANALYSIS (23)

Is responsible for functions performed by the Directorate and provides the analytical entity within the AVCS for planning and programming. Is responsible for developing and supervising the Army programming system, for coordinating all programming activities within the Army Staff, and for reviewing and analyzing the Army programming actions. Provides guidance to the staff for the Planning, Programming, and Budgeting System, provides recommendations to the Secretary of the Army and Chief of Staff for PPB decisions, and coordinates the staff on matters relating to force planning, force structure, and programming; analyzes selected staff actions for the Chief of Staff and the Army Secretariat; guides the development of the analytical tools used as management decision aids for planning and programming; maintains liaison with OSD staff elements and the Army Secretariat; and provides the principal staff and analytical support for the AVCS in the weekly SA/AVCS meetings. Performs special projects, as directed, to assist in solving Chief of Staff and SA problems. The Director serves as the Deputy to the Assistant Vice Chief of Staff and, in his absence, acts on all matters.. The Director is the Chairman of the Program Guidance and Review Committee (PGRC), and is a member of the Budget Review Committee (BRC).

FORCE PLANNING AND ANALYSIS GROUP (24)

Provides the AVCS an independent, quick reaction analysis capability for force related actions regarding requirements, structure, readiness, logistics, and manpower. Provides force guidance to the Army Staff as required and analyzes force related staff actions. Monitors all Army Staff force structure actions down to and including UIC level. Reviews and analyzes force structure actions and provides alternative recommendations as required or appropriate. Analyzes the impact on force structure of actual and potential changes in resource availability, contingency plans, readiness status and deployment schedules. Provides guidance and assistance to the Army Staff in preparation of detailed force structure plans. Maintains liaison with OSD, OSA, and the Army Staff concerning force structure actions. Analyzes selected joint and unilateral operational plans as appropriate or as directed and provides necessary guidance. Analyzes the impact of the FGM and other OSD directives on force structure and deployment of Army forces. Coordinates with DCSOPS on joint actions as required. Monitors Army Staff actions involving logistics. Collects and analyzes logistic data, and prepares displays for use by the Chief of Staff and the Secretary of the Army. Analyzes OSD Logistic Policy and Guidance.

Translates this OSD guidance into more specific guidance to be used by the Army Staff. Reviews and analyzes DA logistic authorization and policy documents. Analyzes the requirement for major logistic actions and provides staff guidance for the coordinated accomplishment of the actions. Reviews and analyzes actions developed by the Army Staff pertaining to logistics and prepares recommendations for disposition of the actions. Analyzes short and mid-range installation studies, and provides guidance to the Army Staff and recommendations to the AVCS. Monitors and initiates staff actions needed to insure that projected manpower requirements support the force structure. Reviews and analyzes action developed by the Army Staff pertaining to military and civilian manpower and personnel issues, and prepares recommendations for disposition of the actions. Analyzes the requirement for major military and civilian manpower and personnel management actions, and provides staff guidance for the coordinated accomplishment of the actions. Maintains liaison between the Army Staff, and OSA and OSD on manpower and personnel matters involving both military and civilian manpower. Monitors Army Staff actions involving readiness and strategic deployment. Analyzes current and projected Active Army and Reserve Component readiness. Performs strategic mobility analyses as required or appropriate. Reviews and analyzes actions developed by the Army Staff involving readiness and strategic mobility, provides staff guidance for accomplishment of the actions. Performs special project actions as directed.

PROGRAMMING AND FINANCIAL ANALYSIS GROUP (25)

Provides the central point of contact within OAVCS on DOD programing and resource planning matters, issues guidance to the Army Staff on the implementation of the Planning, Programing, Budgeting System, provides program and cost analysis and administrative support to the PGRC and the SELCOM, develops automated models for displaying program alternatives, and analyzes the allocation of resources for Army programs under varying budget constraints. The Group Chief is the Army Staff representative on OSD PPBS improvement groups, and the Deputy Group Chief is the alternate. Directs the preparation of the Army response to OSD guidance memoranda, specifically, the Program Objective Memorandum (POM), the Tentative Fiscal Guidance Memorandum (TFGM) and the Tentative Logistic Guidance Memorandum (TLGM). Prepares independent analyses of the TFGM and the FGM; and develops for the TFGM response and the POM, the alternative fiscal programs to be addressed by the Army Staff. Analyzes the major programs of the FYDP to insure that resource allocation is consistent with established priorities. Prepares the policies and objectives chapter of the program and budget guidance documents. Prepares appropriate Army Staff directives to implement OSD program procedures. Analyzes OSD Planning, Programing, and Budgeting Systems proposals, directives, instructions, and timetables; recommends improvements or alternative proposals. Provides the secretary of the SELCOM and the PGRC. Provides secretarial support for the SELCOM and the PGRC. Directs and monitors the development of techniques for correlation of Army and OSD management systems. Establishes procedures for

processing Program Change Decisions (PCDs) and the Program Decision Memorandum (PDM). Analyzes financial aspects of Program Budget Decisions (PBDs) to identify actual and potential impacts on forces and readiness of forces, for further analysis and resolution by FPAG. Provides advice and analytical support to the OAVCS during PBD reclama hearings. Supervises the preparation of and analyses of staff proposed changes (PCR type) in force structure, new programs, and related issues for possible incorporation in the FYDP. Provides administrative and analytical support to the PPA member of the Budget Review Committee. Provides point of contact with the Budget Review Committee. Prepares independent financial analyses and alternative cost projections of force phase-down, buildup, or deployment for use by the AVCS. Analyzes cost impacts of studies and alternative force structures as required. Provides cost analysis support for the PPA Directorate. Develops, operates, and maintains a computer supported executive guidance/decision model for Army programs. Monitors OSD cost models and methodology, and develops automated cost models to support Army programing. Analyzes the impact of changes in future year programs/budgets on Army programs. Develops detailed analyses of the allocation of funds between appropriation accounts for varying budget levels. Provides fiscal guidance to the Materiel Procurement Priorities Review Board (MPPRB). Analyzes OSD and other Service programs to determine potential impact on Army programing actions. Analyzes the impact of national economic programs on Army missions and resources, and develops economic evaluations within GNP projections. Performs special project actions as directed.

STUDIES, MODELS AND SYSTEMS GROUP (26)

Provides the AVCS an OR/SA capability in the areas of force development, management systems, and selected subjects. It guides the development of studies, models, and analytical tools necessary to provide management decision aids for planning and programing, and insures that Army management systems support Army programing. It conducts and supervises both mid- and long-range studies in force planning and concepts for the AVCS. Provides representatives as appropriate to OR/SA seminars, conferences, and symposiums. Monitors techniques and provides analytical support to the Army Staff for the development of force projections. Develops analytical techniques to address planning problems of force mix, balance, and level. Develops and evaluates techniques for measuring force effectiveness. Provides guidance to the Army Staff on adaptation of existing models, simulations and war games to the force planning process. Analyzes Army force planning study proposals which involve OR/SA techniques and prior to contract, makes appropriate recommendations to the AVCS. Supervises the development and transfer to the Army Staff of force planning computer models and the force planning data bank currently under PPA control. Provides guidance in the development of major analytical tools, such as models, to the Army Staff, CDC, and AMC. Establishes and maintains an in-house state-of-the-art assessment of modeling and other analytical tools. Provides OR/SA assistance to the Army Staff in analysis of long range problems related to manpower and materiel. Provides the Directorate, through time sharing

terminal(s), a full range of mathematical and statistical analytic capabilities for all problems requiring application of these techniques. Assists the Army Staff in developing and analyzing techniques of measuring and estimating effectiveness of resource utilization. Develops force planning concepts for the mid-range and long-range period as required. Conducts independent analysis and review of selected subjects and studies submitted from other agencies both within and without the Army. Provides point of contact for external actions concerning study activities. Provides independent in-depth analysis of Army long-range resource problem areas as required. Performs analysis of long-range base development activities. Conducts independent conceptual studies as required. Maintains liaison with civilian universities concerning graduate education of Army officers in OR/SA. Establishes management information requirements for PPA, and passes these to MIS. Validates planned outputs proposed by the Director, MIS in response to requirements stated by PPA. Monitors the Army Staff development of management systems to insure that the capability to manipulate, analyze, and display data supports the programming mission of the AVCS. Provides Chief of Staff direction and monitorship of large-scale management improvement projects which support the planning, programming, and decision-making processes of Army corporate-level management, such as PRIMAR. Monitors development and operation of the Force Accounting System as the primary system in support of the planning and programming analysis functions. Recommends establishment of appropriate approval thresholds in key authorization systems to insure adequate control of critical resources. Supervises the auditing of AAO changes (Basis of Issue Monitoring and Recording System). Coordinates the Army Staff to accomplish cross-system interface of systems related to force planning and programming. Provides, for the OAVCS, guidance, monitorship, and administrative support of the Army Staff Audit Priority Committee, and records and coordinates the implementation of that committee's decisions. Performs special project actions as directed.

STATEMENT OF FUNCTIONS

DIRECTOR, WEAPON SYSTEMS ANALYSIS (27)

Responsible for functions performed by the directorate and is contact point with OSD and other military and government departments on Army weapon systems analysis.

WEAPON SYSTEMS METHODOLOGY AND CONCEPTS OFFICE (28)

Reviews studies to advance the state of the art in analytical methodology applicable to weapon systems, identifies deficiencies in methodologies, and recommends corrections. Assists Army Staff agencies and commands to develop and apply new analytical techniques. Develops criteria and methods of analyzing new/modified weapon systems. Integrates the weapon systems analyses methodological effort of the Army Staff/commands. Reviews advanced weapon systems concepts (proposed by the Army Staff/commands) for cost and effectiveness. Evaluates studies of the impact of advanced technological developments on Army weapon systems and makes recommendations to the CofSA. Is the directorate contact point with elements of OSD, USA, and other military departments concerning the analysis of weapon systems analysis capabilities. Initiates and supervises contracts in area of responsibility. Performs long-range technical and organizational planning for the directorate. Plans and coordinates internal management, professional, educational, and orientation activities.

COMBAT SUPPORT SYSTEMS GROUP, ARMOR/INFANTRY SYSTEMS GROUP, AIR DEFENSE SYSTEMS GROUP, FIELD ARTILLERY SYSTEMS GROUP (29-32)

(All perform the following functions in their subject areas of responsibility.) Review and make recommendations on tactical and strategic weapon systems analyses studies for the CofSA. Assist and monitor Army Staff/commands analyses. Prescribe guidance for, and monitor, analyses assessing proposed systems changes, including validity of proposals/possible alternatives. Prescribe effectiveness and cost criteria for analyzing weapon systems. Provide interface between OSD(SA) and the Army Staff on content and reference terms in weapon systems DPMs, PCRs, and MFIs. Recommend specific areas for studies/tests/experiments to the CofSA after coordination with OORD/OACSFOR. Review and make recommendations regarding studies/ tests/field experiments. Assists CofSA in programming allocation of Army resources considering probable future budget constraints. Determine DA weapon systems analyses information needs (except Army Staff requirements for FAS and TAADS information) for the Director, MIS. Validate outputs proposed by the Director, MIS, for weapon systems analyses requirements. Initiate and supervise contractual studies.

REVISED FUNCTIONAL STATEMENTS

Director, US Army Management Systems Support Agency (USAMSSA). Is responsible for functions performed by the Agency. Provides overall ADP support for OAVCofSA and support to HQDA elements for authorizations, forces and related data. Provides management information and systems development support, including scientific management and operations research support, to the Secretary and Chief of Staff of the Army. Provides ADP support for an integrated summary level data bank of Army resources to the Secretary and Chief of Staff of the Army.

Scientific Systems Division. Provides computer oriented scientific support to the offices of the Secretary of the Army and the Chief of Staff through the development, conversion, operation and improvement of scientific force and resource planning systems, management information systems and simulation models. Operates the Army force development center in support of the Army Staff. Prepares problem definition studies, feasibility and cost/benefit studies and detailed automated system or model designs in response to Army Staff needs.

Systems Development Division. Designs, develops and maintains computer oriented information and data systems, including associated data bases, as required to provide information and computational services to AVCoFSA and other DA Staff Agencies for use in Army force development processes and management of Army resources.

Operations Division. Designs, develops and maintains operating systems, teleprocessing monitors, compilers and generated utilities. Staffs, operates and schedules agency third generation ADPE, related peripheral and card punch equipment. Accomplishes analytical, clerical and conversion operations on source data supplied by the Army Staff and field to maintain data base files. Schedules and performs support activities for ADPE in the production of prescribed products from the base data files.

DODI	Department of Defense Instruction
DPM	Draft Presidential Memorandum
DSS	Director of Special Studies
FPAO	Force Planning and Analysis Office
FYDP	Five Year Defense Program
JCS	Joint Chiefs of Staff
OACSC-E	Office, Assistant Chief of Staff, Communications and Electronics
OACSFOR	Office, Assistant Chief of Staff, Force Development
OACSI	Office, Assistant Chief of Staff, Intelligence
OAVCofSA	Office, Assistant Vice Chief of Staff, Army
OCA	Office, Comptroller of the Army
OCRD	Office, Chief of Research and Development
ODCSLOG	Office, Deputy Chief of Staff, Logistics
ODCSOPS	Office, Deputy Chief of Staff, Operations
ODCSPER	Office, Deputy Chief of Staff, Personnel
OMA	Operations and Maintenance, Army
OOR	Office, Operations Research
OR	Operations Research
ORC	Office, Reserve Components
OSD	Office, Secretary of Defense
OUSA	Office, Undersecretary of the Army
PBAC	Program/Budget Advisory Committee
PGRC	Program Guidance Review Committee
PIA	Personnel Inventory Analysis
PPBS	Planning, Programming, and Budgeting System

PRIMAR	Program to Improve the Management of Army Resources
SEA	Southeast Asia
SELCOM	Select Committee
TARMOCS	The Army Operations Center System
TASP	The Army Study Program
TPP&S	Transient, Training, Patient, and Student
VCofSA	Vice Chief of Staff, Army

ADDENDUM

Because of limitations on reproduction capability, only the original copy of this study contains all appendices. In other than the original copy, the following appendices have been withdrawn and are available in the authority files of the USAWC Library.

<u>APPENDIX</u>	<u>TITLE</u>	<u>PAGES</u>
I	Department of Defense Directive 5141.1; Assistant Secretary of Defense (Systems Analysis)	71-75
II	Chief of Staff Memorandum 67-64, Reorganization of the Office, Chief of Staff	76-89
IV	Department of Defense Instruction 7045.7; The Planning, Programing, and Budgeting System	95-130